

OCTOBER 10, 1932

OCT 13 1932

BUS. ABN:

The Magazine for
MARKETING EXECUTIVES

Hot Weather Drive
Nets \$1,646,750 New
Business for G. E. . .



The Law of Profits

By C. D. Garretson

President,

Electric Hose & Rubber Co.,
Wilmington, Delaware

TWENTY CENTS

The Parable of the LEAN and the RICH Acres

IN the days before overproduction became strangely coupled with under-consumption, a certain farmer found himself with enough seed to plant only 50 of his 100 heavily mortgaged acres of arable land.

It became necessary then for him to decide which acres to plant, for he knew that such an important undertaking should not be haphazard. He took pencil and paper, therefore, and drew a map of his estates, which he divided into three natural divisions; and he remembered his past experience and marked on each division the number of bushels it could produce.

And he said, "There are $5\frac{1}{2}$ acres of rich soil in the valley. They are capable of producing

only 100 bushels. Then there is the large intermediate field with $22\frac{1}{2}$ acres which produces about 300 bushels. That's better. But biggest of all is the field of $71\frac{1}{4}$ acres which produces 500 bushels. There will I plant as far as my seed will go."

Then he bethought himself: "Shall I trust the wind to sow the richer land?" And he took pencil and paper again and studied the markings on the map of his three fields. He remembered his arithmetic and he fig-

ured the harvest per acre in each field, and he said, "If I sow only the big field I shall reap at the most only 7 bushels per acre, and in the intermediate field 13 bushels per acre, and in the little field of rich soil 18 bushels per acre. Shall I not reap the biggest harvest, therefore, if I sow carefully the rich field and then the intermediate field, and then as many acres of the big field as my seed will cover?"

And so he ordained and the ground was sown.

And when the fields were yellow with bursting grain, the banker drove by and saw what the farmer had done... and decided not to foreclose the mortgage.

Your Market has its Lean and Rich Sections, too

In every community there is a group of families who have more money, spend more. Obvious, of course. BUT... do you know exactly how

much more of your product they buy? How they compare with other groups? Where you can get the largest return per dollar of advertising?

MARKETS BY INCOMES

Gives you the facts. Shows the Actual Buying Performance of Families in Different Income Groups. Send for your copy today.

VOLUME I *Markets by Incomes*

Preface to the Survey
Automobiles
Automatic Refrigerators
Housing
Electrical Appliances
Radios
Sporting Habits
Groceries

Bathroom Inventory
Travel

Utilities
Books, Silver

VOLUME II *Markets by Incomes*

Paint, Plumbing
Clocks, Watches
Fountain Pens
Sports and Hobbies
Men's Clothing
Floor Covering
Charge Accounts
Summary of the entire Survey

MORE THAN 400,000
CIRCULATION

135 E. 42nd STREET, NEW YORK



BIGGEST BEST CUSTOMER
COVERAGE

*Weigh magazines
with this in mind*

CAN THEY SELL YOUR GOODS NOW?

We believe the times call for hard-boiled purchase of magazine space.

We don't blame you for asking us—"Can you sell my goods—if so, when?"

Make us produce the facts. Make us show you immediate sales—immediate profits—moderate expenditure.

We will present no ponderous mass of presumptive evidence.

But we will lay before you simple, authentic, accurate records of—

- 1.—Sales NOW.
- 2.—Sales for the first six months of 1932.
- 3.—Sales throughout the past 30 years—good times and bad.

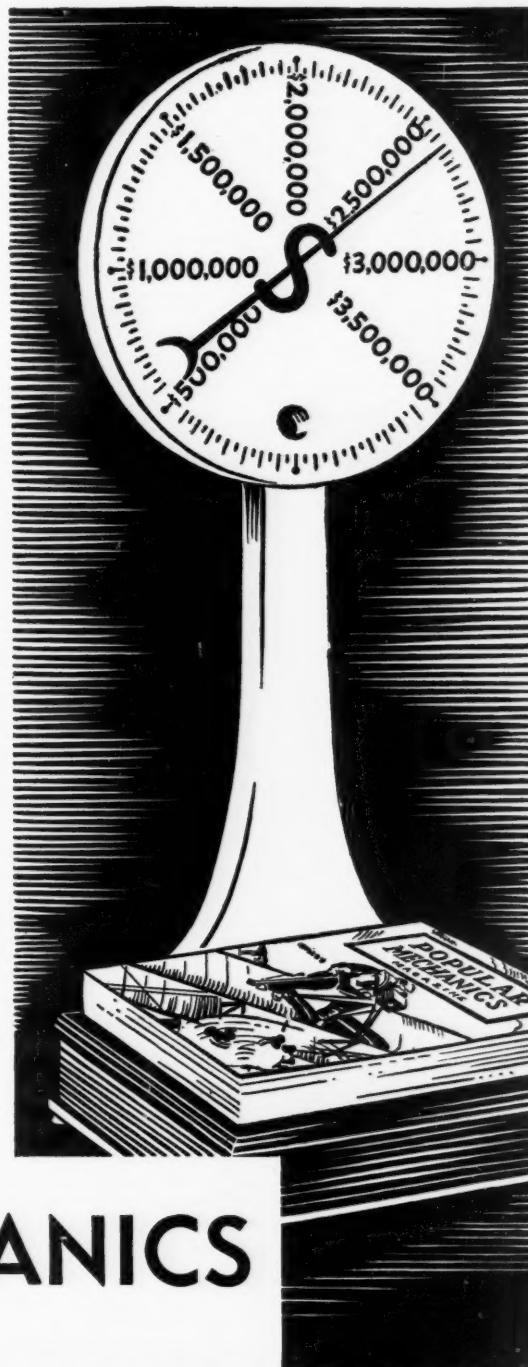
This data consists of definite experiences of advertisers who have learned first hand the purchasing power of THE MAN WHO BUYS FOR CAUSE.

POPULAR MECHANICS HAS PROVED UP

You're buying SALES CERTAINTIES when you contract for space in Popular Mechanics Magazine.

You can make the first move toward stepping-up demand for your product by consulting your agency—or us. Ask questions—express your doubts frankly—demand the proof of SALES NOW.

Popular Mechanics Magazine, Chicago, Popular Mechanics Building. New York: Empire State Building; Detroit: General Motors Building; Boston: 35 Newbury Street.



POPULAR MECHANICS MAGAZINE

WRITTEN SO YOU CAN UNDERSTAND IT

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in March and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. October 10, 1932. Vol. XXXI. No. 8.



"....no
waiting
in line—
show now
going on"

No Closed-for-the-Season sign hanging on the Newark Market—no sir-eel Newark isn't waiting for business to snap out of its Rip Van Winkle. Business is already here and going strong. In fact, it never did leave. The Show is going on now and there's no waiting in line for sales.

Talk about a show—why, Newark is the third major market in the country today! SALES MANAGEMENT'S compilation of bank debits says so. For the past seven months business has averaged 74.6% of normal and 34% above the national average. Is that putting wear and tear on the cash register?

August figures show business 73.7% of normal and 40% above the country's average. Well, we always said Newark was an active, thriving trading center. And it's so, in good times or bad.

Don't waste valuable time—get some of that extra 40% we have here. One newspaper is all you need—nearly every family reads it.

Newark Evening News

EUGENE W. FARRELL
Business & Advertising Mgr.
215-221 Market Street
Newark New Jersey
O'MARA & ORMSBEE
General Representatives
New York Chicago Detroit
San Francisco Los Angeles

Survey of Surveys

BY WALTER MANN

55 Key Oil Burner Markets Analyzed

A searching study of general conditions, especially of sales conditions, among leading retail outlets in 55 major oil burner markets is being completed by *Fuel Oil Journal*, 420 Madison Avenue, New York City. Results of the study are contained in a book entitled "1932 Survey and Study of Operations of Key Dealers and Conditions in Key Oil Burner Markets of the United States."



Pirie MacDonald
Walter Mann

general data, i.e., population, type of city, number of dwellings, etc., on the market covered.

Section 2 gives more specific data on the market, such as: total installations of all dealers and factory branches in 1929, 1930, 1931 and 1932 (to date); the total number of burners in operation in each market area; a list of all retail burner outlets; the names and 1931 sales of key outlets (i.e., outlets doing from 75 per cent to 95 per cent of the total business in each market); the minimum prices charged for installations with basement tanks; also pertinent data on the strength of gas and coal stoker competition, etc.

Section 3 reports the experiences of key dealers in the sale, use, or recommendation of 43 leading allied products, such as air-conditioning equipment, boilers, furnaces, radiator valves, indirect water heaters, etc.

The report sells for \$12.50. Write to *Fuel Oil Journal*, 420 Madison Avenue, New York City, for further information, or for a copy of the report.

Ohio—South by West

Comprehensiveness plus brevity—that rarest of combinations in the research promotion material usually issued by Chambers of Commerce and Boards of Trade—is admirably achieved in "The Southwestern Ohio Market," a recent publication by the Industrial Bureau of Springfield, Ohio. Outside of the fact that this study tries to make incidental "way stations" out of Dayton, Cincinnati and Columbus as shipping points, its data is well worth having.

Its twenty pages are divided into four main sections: (1) The Market, (2) Transportation, (3) Warehousing and (4) Real Estate. The first section shows the characteristics and purchasing power of the 34 counties which lie in Southwestern Ohio and which contain 35.6 per cent of the state's population. Maps of the territory (all of which lies within a 75-mile

radius of centrally located Springfield) show the production of manufacturers and farm products, and the distribution of retail sales.

In the last three sections evidence is presented to show that Springfield is a logical distribution point for the southwestern counties, and it is in this section on "Transportation" where S. O. S. feels that a part of the presentation (by no means all of it) is faulty. The existence of adequate transportation facilities of all kinds seems to be clearly shown, but the material on transportation costs may give careless readers an erroneous impression of the favorableness of Springfield's outbound, and, to a certain extent, inbound, freight rates as compared with those of Cincinnati, Dayton and Columbus.

One table shows inbound *carload* rates to the four cities from representative U. S. shipping points, while another shows outbound *less-than-carload* rates from the four cities to the leading Southwestern Ohio points. On both tables Springfield's rates are shown in black and the other three cities' rates are shown in black *when lower than the Springfield rates*, and (according to the table-headings) *otherwise in red*. Literally, this is true, but it happens that *when the rates are the same, the other three cities' rates are also shown in red*. Twenty-eight figures for parallel rates are thus given in red on the first table; eight on the second.

This gives a misleading impression, and, indeed, the writer of the booklet erroneously states on page 13 that "in 7 out of 23 cases the outgoing rates from Springfield are lower than from either (sic!) of the other three cities," whereas, so far as S. O. S. can see, Springfield rates are actually lower in only 5 cases.

The heading of the inbound rate table refers to the "favorable rate situation in Springfield compared with Cincinnati, Dayton and Columbus," without making clear that the table lists more low inbound rates for Columbus than for Springfield. Columbus' aggregate rate advantage is due to a favorable rate from the Pacific states.

The outbound table supplements a group of maps which show the counties in Southwestern Ohio into which Dayton, Columbus and Cincinnati can ship more cheaply than can Springfield, but the reader must add up the population of the counties himself to discover that Dayton, Cincinnati and Columbus have the advantage in serving 1,260,000, 890,000 and 730,000 people, respectively (in round figures), as compared to the 350,000 for Springfield.

The third and fourth sections of the booklet offer convincing proof that Springfield's warehousing situation is good, that her taxes are lower than those of the competitive cities and that the real estate conditions are, in general, good.

Write to the Industrial Bureau of Springfield, 210 Fahien-Tehan Bldg., Springfield, Ohio, for a copy of this study, and see whether you think S. O. S. is an old tissy-prissel for raising these objections to an otherwise excellent report.

CHICAGO, Ace Market, Buys Year's Clock Output in Thirty Days!

CHICAGO'S responsiveness to sound selling, able merchandising, is typically revealed in its buying of a year's output of hitherto unknown electric clocks in thirty days. And because the maker was able to quickly secure distribution through major department and furniture store outlets, sales costs were gratifyingly low.

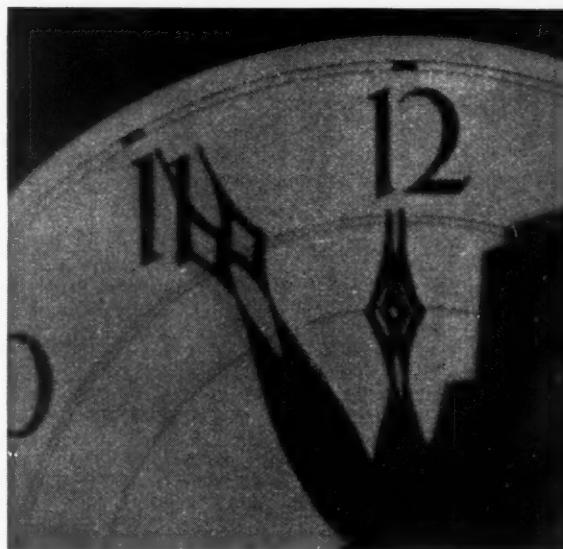
* * *

Again the great practical worth of the Chicago American's co-operation with advertisers is demonstrated on the profit side of a manufacturer's books. Chicago American market facts, merchandising staff work, on-the-ground experience in dozens of campaigns, were important means to the sales end secured by this manufacturer.

Huge Chicago, densely populated, representing with the immediate suburban area around it the second urban market of the country, continues to prove a fertile field for sellers who know how to sell in Chicago.

Knowing how to sell in Chicago requires knowing Chicago *intimately*—its dealers, its community buying areas and buying-volume, how to get dealer co-operation, how to most economically cover and *sell* suitable dealers.

The Chicago American has helped many advertisers to enlarge and perfect their knowledge of Chicago as a market, helped them make sales records in the process. The effectiveness of its aid in these directions assures the continuance of Chicago's first evening newspaper as a growing factor in a lengthening list of sales successes.



CHICAGO AMERICAN

A good newspaper now in its TWELFTH YEAR of circulation leadership in Chicago's evening field

National Representatives:

RODNEY E. BOONE ORGANIZATION

S a l e s L e t t e r s

BY MAXWELL DROKE

Lo! the Poor Government

"Personal to 2-Cent Postage: Please come back. Let's forget and forgive. Love and kisses.

"Uncle Sam"

* * *

Expressing the foregoing sentiment, with a somewhat greater degree of dignity and restraint, the subcommittee of the Committee on Post Office and Post Roads of the House of Representatives has unanimously approved the introduction, on the opening day of Congress, of a bill to restore the two-cent rate of postage on first-class mail matter. Such a bill is now in the course of preparation.

The action of this subcommittee, composed of seven members of the House, is due to the alarming reductions in revenue from first-class mail since the three-cent rate became effective on July 6. How acute the situation is can be merely a matter of public speculation, since the Post Office department

has, significantly, suspended publication of monthly statements of receipts. Some weeks ago Postmaster General Brown stated, in a public address, that first-class postal receipts were "about the same," as before the new rates became effective. That there has been an increasing slump in the interval is quite evident.

The business interests of the country now have an excellent opportunity to indulge in a razzberry session. Business leaders, and large users of the postal service, again and again pointed out to the Post Office department the inevitable consequences of hiking the first-class rates. They prophesied that thousands of bulk mailers would either suspend operations or turn from first to third-class. A casual examination of the morning mail clearly shows that the prophecy has been abundantly fulfilled.

Postmaster General Brown appears to have gleaned his ideas of the postal service from approximately the period of William Henry Harrison. In his conception, first-class mail consists of your Sunday letter to the folks back home, together with infrequent epistles to Aunt Effie and Cousin Constance. He overlooked or minimized the warnings of bulk mailers, and has sorrowed as a consequence. The perfectly dandy theory that if two-cent postage yields a certain revenue, three-cent postage will bring in a third more shekels, has broken down miserably.

True, the department has received considerable revenue from the love-story manuscripts of amateur authors, otherwise unemployed. It takes a lot of postage to send out those scripts, and insure their inevitable return. And, of course, the participants in cigarette prize contests did their



Maxwell Droke

We'll Have Another

Brown October ale, excellent beverage though it may be, is no less exhilarating than the communications from our readers, telling of the practical benefits gleaned from a perusal of this department. We would like, particularly, to have your ideas and suggestions. What features would you like to see included in the department? And, of course, send along your letters for friendly criticism. Again we remind you, there is no cost or obligation.

bit quite nobly. But even this cooperation, noble in purpose, has not served to counteract the flight of business mailers from the first-class rate.

And now it seems that perhaps something is to be done about the situation. But I am not advising my correspondents to hold their breath—or their mailings—in anticipation of early action. It must be remembered that Congress does not meet again regularly until December. And there are many legislative items on the calendar quite as pressing as the matter of postage reduction. Moreover, there are always political considerations to be reckoned with. While the postage increase was a Republican administration measure, it was enacted in a Congress where Democrats were in the ascendancy. Thus it is a bit awkward, politically, for either or both parties to admit an error in judgment, and make an about-face. It is my guess that two-cent postage is on the way back, but there will be quite a bit of contention and confusion before it arrives.

In conclusion, it is only fair to point out that the three-cent rate is not entirely responsible for the present poor showing. Postal revenues would have fallen off in any case, due to the general curtailment of business operations. How much blame can be rightly placed upon the 50 per cent increase in first-class rates? Your guess is as good as mine. And neither is worth very much.

Profits from Multiplicity

Recently, I have had occasion to counsel a manufacturer of emblems, and a small pharmaceutical house. Both complained that mail order returns were below par. Investigation showed that results were about as large as could be expected. The trouble was that both had been limiting their mailings to a single item. The emblem man, for example, had sent a mailing to jewelers, illustrating a single moderately

priced ring, with no very distinctive features. He could scarcely hope to get sufficient orders to break even. An attractive assortment, on the other hand, would have enabled him to divide the mailing cost over several items, and given a much better chance of profit. Of course there are times, if the product is comparatively high-priced, or has wide appeal, when concentration is clearly indicated. But it is well, in these times, to consider the possibility of marketing a group of products, at a single postage and mailing cost.

Customers, Like Ladies, First

Two letters in my morning mail afford an excellent text for the discussion of a basic principle, upon which I like to dwell from time to time. Here is the concluding paragraph of a letter, sent to newspapers, by the Commercial Paste Company:

"And may we take just a moment more to remind you that cold weather is not far distant; and that then it is not advisable to ship wet paste, owing to the possibility of its freezing. In view of that, we would like to suggest that you order COPASCO now (also the No. 705 Mailing Machine Paste for the mailing room) so that it can be shipped and received before the arrival of cold weather. For your own advantage, won't you do it? We hope you will."

And here, by contrast, is the conclusion of another letter—this latter letter addressed to druggists seeking confirmation of orders placed for future delivery. It emanates from a well-known cosmetic house:

"For the above reasons, you can see why we are anxious to have you confirm Mr. Blank's order for without further delay."

You will, I think, see the fundamental involved without any great argument or explanation. In the first letter, there is a definite reason for immediate action; a reason which reacts definitely to the reader's advantage. To quote from the text itself. "For your own advantage, won't you do it?" On the other hand, the second letter, while its earlier arguments are logical and effective, is greatly weakened by the conclusion, "you can see why we are anxious to have you," etc.

Remember, it is not what we want the reader to do. Our first consideration is to convince him that he should take the action we suggest, in his own selfish interests.

* * *

I like the way insurance companies are merchandising Guaranteed Income policies these days. Massachusetts Mutual, for example, has a current mailing titled, "Go where you like—stay as long as you like," picturing elderly gentlemen reveling in horseback riding, hunting, golf and travel. The simple truth is that very few of us are interested in saving money except with the prospect of spending it at a later day. Thus they surround those "easy monthly payments" with a glamour that is irresistible.

SALES

management

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 Incandescent Lamp Division, General Electric Company,
 Cleveland, Ohio*

Salesmanship

Million Dollar Salesmen 311
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No place for Casey with the bases loaded - says **Joe Hawley, salesmanager**

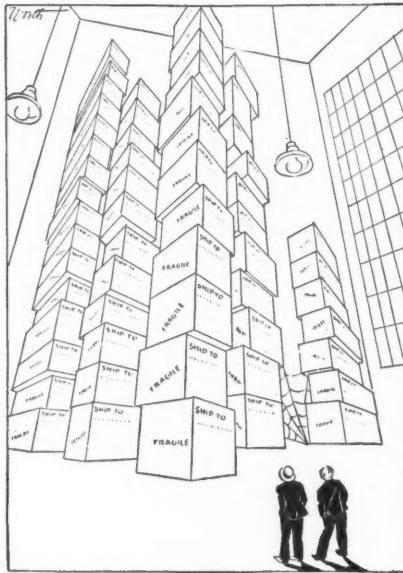
“DUUR corner-office experts in solemn session discovered one day that this outfit had gone lame and decided to throw away the crutches. Never mind the logic. We had to trim our advertising. I took it standing up, and when the boss says let's go out to the factory, they've beaten the world's record for production, I put on my hat.

"The boss was right. Our merchandise was piled all over the place . . . All dressed up and no place to go, observed Mr. Hawley. You needed a steam shovel to break through that wall of boxes. It was a monument no salesman could take credit for—except by reverse English.

"Now that the boys have solved our production problem," sez the boss, "all you've got to do is to sell the stuff."

"Now that we've dissolved our advertising appropriation," sez I, getting sarcastic, "that ought to be easy enough."

"We had to reach plenty of people in a hurry at a sales cost that was nothing to speak of . . . Newspapers to move the merchandise quick. New York to



reach the people. And maybe a mess of concessions to dealers—free deals, special discounts, window service, demonstrators, and whatnot. I hustled to New York and called on a jobber who usually knows.

"Forget the sideshows," said the jobber. "The dealers won't be interested after a new attraction comes along. And free deals never imbued a customer with a passion to purchase. Put every cent you can in *The News*."

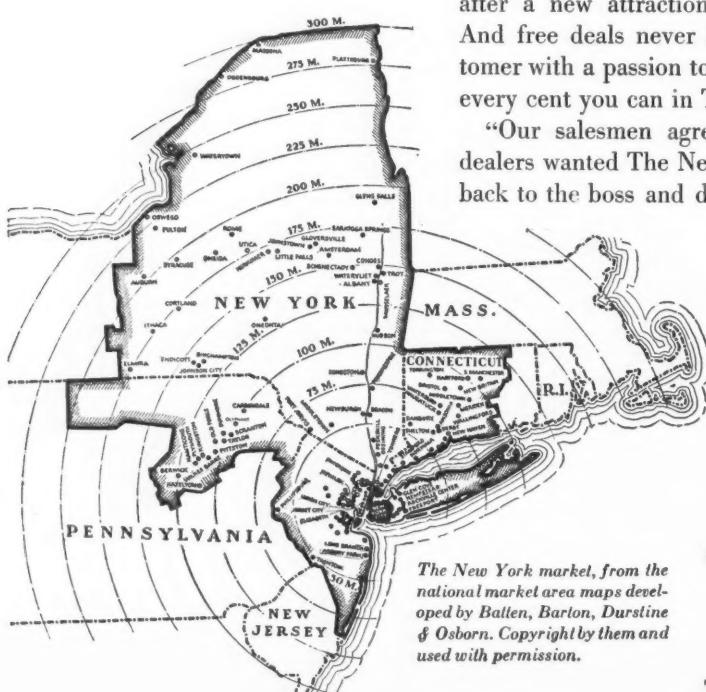
"Our salesmen agreed, said their dealers wanted The News. So I beat it back to the boss and declared that if

his factory force was ever going to get out from behind that battalion of boxes, we'd have to use *The News*—plenty. The boss said: 'Go ahead. Give that surplus a good home. Spend what you need, but not one cent for prestige, company pride, or personal vanity.'

"Which was my own idea coming back to me. We have just one object—to move the merchandise. And we are. The Sunday edition of *The News* carries our advertising. 'The bases are full,' I told the salesmen, 'and anybody by the name of Casey can quit right now.' Not a man struck out. The stuff is going so well the boss decided we were right to keep on using *The News*. He doesn't want any more of those left-handed monuments darkening his factory doors."

MORE people read more advertising in The News. Its small page, high visibility attract attention. Its low milline gives you more for the money. The Sunday News is read in 1,700,000 families, in a majority of all New York City homes. In its market outside New York City, the Sunday News has 20% or better coverage of all homes in 99 cities of 10,000 or more population. It exceeds any national magazine in its coverage of families in these cities; a power by itself, and a powerful reinforcement to any magazine list.

News influence extends directly to millions of buyers in a territory that does nearly one fifth of the retail business of the country—that has more people, more payrolls, more money, more sales! Use the Sunday News for sales where sales can best be made!



The New York market, from the national market area maps developed by Batten, Barton, Durstine & Osborn. Copyright by them and used with permission.

THE NEWS
New York's Picture Newspaper
220 EAST 42nd STREET, NEW YORK

Tribune Tower, Chicago, & Kohl Building, San Francisco.

Significant Trends

As seen by the editors of Sales Management for the ten days ending October 10, 1932:

Introduction

Since 1828 there have been eleven changes in party administration. Business registered gains in November and December following five of the elections, in four cases business decreased, and in two there was no noticeable change. As Ed Wynn, "the perfect fool," would say, "so-o-o-O."

• • • Paul Clay argues that "the original sources of the power that lifts business out of a depression is not any spontaneous expansion of construction work, or automobile production, or foreign trade, or commodity prices, but rather the return of confidence. It is confidence that draws money out of hoarding, revives the investment demand for bonds, brings forward latent buying power, causes people to use their check books, and makes bank credit circulate with increasing rapidity. The more rapid circulation of checks, payments and bank credit implies the purchase of commodities, goods and labor; the recipient of almost every check promptly spends most of the funds; the speeding up of the movement of credit is thereby prompted in the manner of an endless chain—and this process creates physical trade. Confidence creates trade. The extent of the trade recovery and the future volume of trade are bound to be mainly proportionate to the volume and degree of confidence among business men. . . . So long as the absence of liquidation in the bond market and elsewhere or the constructive aggression of our business leaders proves that confidence is growing—we may assume further trade expansion."

• • • A good illustration of how confidence does create trade was seen last month in Pontiac, Michigan. The Wilson Company, engine builders, added 300 men to its payroll, and within fifteen days automobile dealers in the city sold 135 cars, new and old, none under \$125, and three of them at \$2,300, \$1,800 and \$1,700. Previous to this the car market had been flat.

• • • The Fisher index of business conditions jumped in the last week of September to 75.6 per cent of normal—the highest level since the second week of January.

• • • For the week ending September 29 there were 464 business failures; for the corresponding week last year there were 525. Even more favorable is the Bradstreet moving average of failures, now standing at 132.6 per cent of normal as against 145.2 last year.

Prices The Irving Fisher all-commodity wholesale index on October 1 stood at 62.2 per cent of normal. The low for the year is 59.3, the most recent high was 63.2 in the second week of September.

• • • Most of the commodity prices followed a sagging pattern in the last week of the month, with declines in wheat, cotton, cocoa, silk, hides and rubber.

• • • But for the entire month of September R. G. Dun and Company report a gain in wholesale commodity prices which brings the average (see "totals") up to a year ago. Monthly comparisons of their index number follow:

	Oct. 1 1932	Sept. 1 1932	Oct. 1 1931	Sept. 1 1913
	\$	\$	\$	\$
Breadstuffs	14.583	15.325	17.579	22.975
Meats	12.881	13.516	13.592	12.786
Dairy	19.414	17.031	14.951	16.604
Other Food	16.613	16.434	16.331	10.571
Clothing	21.288	20.854	24.454	20.507
Metals	20.587	19.011	18.591	16.742
Miscellaneous . . .	31.188	31.928	30.918	21.868
Totals	136.555	128.761	136.416	122.053

• • • In the security markets September was a month of falling prices, as it almost invariably is, but the decline of 3.6 per cent was the smallest in four years. Last year the drop was 29 per cent. A price compilation made by the New York Sun of 225 corporation stocks shows that the total valuation of 16.4 billion dollars is slightly in excess of the 16.3 valuation at the close of 1931.

• • • Maintenance of strength in high-grade corporation bonds during the month is a favorable sign. A firm or rising bond market has always been a necessary prelude to new financing and to substantial improvement in business.

Production

Electric power production has shown a steady upward trend since July and the latest figures show that all of the loss since March has been regained. As in the case of the movement of freight, the upward trend is a reversal from last year. From July 4 to September 28 this year power production gained 11.2 per cent; in the corresponding period last year it declined 1.2 per cent.

• • • Lumber orders for the week ending September 24 were within 3 per cent of the same week last year. The volume of orders during the month, while encouraging, was not sufficient to warrant an increase in production. Stocks at the mills are still excessive.

• • • Demand for steel is *creeping* upward—at the rate of about 1 per cent every fortnight. If this rate of increase is maintained the production rate will be 22 per cent at the end of the year. This will not mean much money for either labor or capital, but steel men continue hopeful that October will show a big rebound.

• • • Indications point to a 1932 production of 1,500,000 cars and trucks—a total which is only 75 per cent as large as the number of old cars which were

scrapped. Stocks of new cars on hand September 1 were 39 per cent under a year ago, and 18.8 per cent below the total on January 1, a time when stocks normally are very low. New car registrations plus foreign shipments for the first eight months exceeded production by 53,853 cars. September output was about 70,000 units, and October probably will fall short of these figures by a substantial margin and will mark a low point in motor car production since January, 1921. These are two encouraging features in the automobile situation: demand is piling up because more cars are being scrapped than are being produced, and the makers are not accumulating a big inventory.

• • • In New York and New England there was a brisk pick-up during August in abrasive plants, and a still better showing in September. Andrew W. Mellon is said to be one of those who watches this industry closely, on the theory that nearly all products must at some time go under the abrasive wheel.

Car loadings during the week ending September 24 were the highest for any week so far this year, and

the spread between this year's loadings and last has declined from a maximum of over 30 per cent earlier in the year to 18.7. This continued narrowing of the gap, indicating an upward trend, is doubly encouraging because last year at this time the trend was definitely downward.

• • • The Atlantic States Shippers' Advisory Board, meeting in Rochester last week, estimated that freight traffic in that territory for the final quarter of the year would be only 3.6 per cent less than last year.

• • • Bank debits outside New York City rose very sharply during the week ending September 24, and moved up to the highest point since the first week of August. During the week they stood at 65.8 of normal, against 57.4 the previous week and 86.7 last year.

• • • Department store sales in the New York metropolitan area (dollar volume) for the first half of September declined only 17 per cent from last year, the smallest decline since January. Newark store sales declined only 12 per cent. Stocks of merchandise on hand for all stores in the New York Federal Reserve district continued to show a progressive decline from a year ago.

• • • In Chicago a large dry goods house last week reported the largest daily movement of goods from its shipping room since 1925. Dollar sales of another house ran ahead of 1931 for the sixth consecutive week.

• • • While in Kansas City dollar volume of retail trade last week approached that of a year ago, and a wholesale hardware firm reported the largest orders for future delivery in several years.

• • • Up in the Minneapolis district the Northern Pacific freight revenue increased over last year (the first major railroad, incidentally, to report on such an increase in the last two years).

• • • Down in Atlanta the number of unemployed fell considerably last week and 107 wholesale houses reporting on business from July to the end of September show the largest increase since 1927 and a gain that has been exceeded only three times in the last twelve years.

• • • In the Dallas district wholesale trade increased about 100 per cent during September over August. Retail trade picked up 20 per cent during the last week of September.

• • • The president of Postal Telegraph, in commenting on the recent marked improvement in their business, says "it has picked up in every section but has been most pronounced in the section which embraces the Mississippi Valley and extends to the Rockies, in the Southwest, and in the New York Metropolitan area."

• • • For the first time in four years retail sales of new motor trucks in August exceeded those of July, but the 15,681 units sold were only 58 per cent of last August's total.

Distribution

In our last issue we gave some preliminary figures on a nation-wide survey among bankers. Final figures show these interesting

opinions:

- 1: "Has the turn come in general business?" 85 per cent say Yes.
- 2: "Has the turn come in security prices?" 86 per cent say Yes.
- 3: "Has retail trade shown improvement in the last thirty days?" 75 per cent say Yes.
- 4: "Has manufacturing activity increased?" 57 per cent say Yes.
- 5: "Are banks more liberal in extending local credit?" 27 per cent say Yes.

• • • The Federal Reserve statement of September 28 shows that cash reserves in excess of legal requirements of the member banks give them a record capacity for making loans and investments. They have \$400,000,000 above legal requirements, but most would-be borrowers find it difficult to get money except on the highest grade collateral.

• • • Fifty-six banks closed in September and twenty-six banks were reopened. This is the best record for the year to date, and clearly proves the waning of the financial side of the depression.

• • • The office employes of General Motors are now on a five-day week basis, with no decrease in pay. Factory workers employed on an hourly pay basis are not affected by the new plan. . . . Henry Ford, early apostle of high wages, in the same week announced a pay cut which affects all employes from the high executives down. The new minimum wage of \$4 a day for common labor is less than the scale which Mr. Ford put into effect eighteen years ago, but, after announcing the scale for various grades of labor, the Ford announcement states, "This leaves the Ford Motor Company wage schedule the highest in the automotive industry."

Buy Right; Sell Right; Compete Right:

This is the Law of Profits

BY C. D. GARRETTSON

*President, The Electric Hose & Rubber Company,
Wilmington, Delaware*

Profits are indispensable for the support of every element of our civilization—schools, churches, and all that contribute toward the making of a high standard of living. What we need, says Mr. Garretson, is not legal action by Congress to force profit maintenance, but a law of industry to be recognized by every business organization, a law of profits.

FOR A GOOD many years the Government has at least appeared to damn profits. Investigations and prosecutions of business organizations and combinations, as a means of keeping profits within reasonable limits, have accomplished little but to give exaggerated accusations wide publicity. Political demagogues have led the farmer to believe that the middle-man and the manufacturer are taking an unfair proportion of the spread between producer and consumer. The man in the street, because of the widespread condemnation of profits, has grown suspicious of big and little business, and it is difficult to convince him that all of his financial troubles are not due to the unreasonable profits he is obliged to pay.

Then the Government has some trouble to balance the national budget, in order to maintain its credit and assure its profits. Congress fumbles a tax bill and the stock market promptly registers new lows, while more than two billion dollars of somebody's capital and profits go glimmering. And again the Government shows a careless contempt for the only thing in the world that sustains it financially—the profits of business.

Regardless of the many millions of

spoken and written words that have been devoted to finespun economic theories for the purpose of explaining the depression, the business men of the country know that the primary cause is an inability to make adequate profits. When the country was prosperous a great many of us were prodigal with profits; we threw them away in meeting competition, and sacrificed them in one way or another in the development of what we thought was profitable business. Now we are paying the price of our folly, because these sales without profit established markets that, under present conditions, demoralize our profitable pricing.

It is now obviously proved in every industry and throughout every channel of distribution that profit is the most essential factor of business. Our greatest need is a law defining this proposition—not a law enacted by Congress, but a law of industry recognized as an invariable guide by every business organization in America.

Profits are indispensable for the support of every element of our civilization. Without profits from business there would be no churches, no schools, and human living would soon degenerate to a mere existence. Business, trade, is the only source of profits; something must be sold,



whether it be merchandise or service, to produce profits. And as an indispensable guide to all profitable business transactions, I submit the following:

Buy right. Sell right. Compete right. For this is the law of profits.

Only by following this law can any business concern assure its profits and establish itself on an enduring foundation.

In any business, after the necessary costs are paid for materials, labor and overhead, what is left is profit. With the individual's wages or salary, there is no profit until the necessities of food, shelter and clothing are procured. Therefore, the payroll that contributes to prosperity, which is created entirely by profits, must include a profit over and above the cost of mere living, and leave a surplus for the better necessities and some luxuries.

For the manufacturer or distributor, as well as for the individual, the way goods are bought influences the resulting profit. But buying goods right does not mean buying at the lowest possible price. Every sale below cost, or without adequate profit, deprives someone of purchasing power and contributes to depression. And manufactured goods cannot be sold below cost for very long without depriving labor of its profit.

Simple as these facts are, a great many buyers for large concerns are just beginning to realize their importance and their truth. Recently, for instance, a buyer in Philadelphia told us that he would like to see the prices on all rubber goods advance—with all other prices, for that matter—because advancing prices would mean improving business.

The Courage of Quality

For two years this buyer, with many others, has been hammering away for lower prices. He has been largely responsible for reducing the price on cheap garden hose from 5 to $3\frac{1}{8}$ cents per foot, when its cost of production is close to $4\frac{3}{4}$ cents per foot. The quality has depreciated, of course; but what these buyers wanted were diminishing prices, regardless of quality.

When we informed this buyer that we had not reduced our price, and that we had maintained the quality of our garden hose, he said, "Well, I take my hat off to you for your courage in keeping out of the price fight; but I can't go with you. I shall have to continue to buy and sell as cheaply as my competitors."

What this country needs is a buying policy on the part of distributors that has the courage to live up to its eco-

nomic convictions. Distributors who insist on buying at prices below the cost of production usually find it necessary to sell a large part of their goods at a loss. Cut prices breed their kind.

Recently a friend who conducts a large distributing business told me that the new purchasing agent of a manufacturing concern to which he sold a great many items had cut off his business. This buyer checked up all items purchased from my friend, and in most cases found he could buy them slightly cheaper. Service, convenience and quality were not considered, and, on a basis of purchase price alone, he notified my friend that it would be unnecessary for him to solicit the business in the future unless he could meet the competitive prices.

As it happens, my friend distributes a large volume of the manufacturer's goods. So he called up the department managers from whom he bought, and informed them that he had adopted their company's buying policy and could not handle any more of their goods, since the policy required him to buy where he could buy the cheapest, regardless of quality, convenience and service.

Everybody Must Profit

Of course, this problem was soon straightened out by the department managers; but it serves to illustrate the very faulty methods of a great many manufacturers and others, methods which, in considering price alone, deprive producers and distributors of their profits and contribute to the demoralization of distribution. A very few large distributors have seen the light and are taking the trouble to determine that the manufacturers are making a fair profit. But in no other way can business be made to contribute to its only sustaining factor—purchasing power. In no other way can general industry be developed and expanded. For development and expansion are made possible solely by profits and the capacity to make profits.

To sell right means to sell every item at a price that covers all costs and returns a fair profit. The manufacturer who compels any of his distributors to sell below cost is demoralizing and tending to eliminate an essential factor of distribution, and cutting the ground from under the foundation of his own business. It is not only necessary for the manufacturer to sell at a profit, but to sell his goods in a way that assures a profit on all re-sales.

There is not the slightest virtue in volume without profit. To compete right requires the realization that the old cutthroat, fight-to-a-finish competition is as obsolete as the dodo and

as demoralizing as the plague. Strange, although we have made tremendous advancement in production, we know little of scientific distribution and nothing at all about scientific competition. In meeting cut prices, buying accounts with secret discounts and concessions, and beating out competition in many other ways, we are still using the competitive methods of the dark ages. We have not made the discovery that every uneconomic method we use against competitors inevitably reacts against our own business.

To compete right means to compete fairly, constructively, regardless of what the other fellow does. Neither a distributor nor a manufacturer can tear down a competitor's business without injuring his own and general business.

A prosperous industry is made up of prosperous individual manufacturers and distributors, and the sole creator of the success of both is profits. Furthermore, we cannot have national prosperity unless the great majority of manufacturers, wholesalers and retailers are making profits.

Regardless of how the proposition is analyzed, profits show up as an indispensable factor in government, the nation's religious life, the progress of our civilization, and every human endeavor. So it is obvious that the Government should encourage and support business in every conceivable way, instead of passing laws and harassing business on the apparent assumption that profits are not quite respectable and probably illegitimate.

Gold in the Golden Rule

When the law of profits is thoroughly understood, the fact is realized that the Golden Rule in business is the most effective of economic principles. Under this law, the archaic belief that impels one factor of distribution to attempt to advance by taking advantage of another factor is revealed as a fallacy that has caused untold injury to business.

Under the law of profits, also, the fear of the Government that profits may become extortionate is unfounded, for experience has proved that selling at unfairly large profits is just as unsound as selling at no profit at all.

Buying right, selling right and competing right necessitate the adoption of an invariable policy on the part of the individual manufacturer. Price is only one of a hundred factors that determine the sale of goods, and the law of profits turns competition from destructive price-cutting and the loss of profits to those constructive elements which create business and profits by giving the public a square deal.

Titbits from the Mail Conclave

The Pace That Kills—the President

"The presidents of almost every large institution in the United States are inefficient in their work because they are supposed to know everything, answer the telephone, meet everybody, advertise, run factories, sell goods, be lawyers and expert accountants . . . as a result, the average president wastes the larger part of his time, wears himself out and is a model of inefficiency . . . The same is true of the President of the United States. . . . I propose that the office of the President be one with some leisure which will give our chief executive time to think of important problems, and to meet important people. Then for vice-president I would have elected or appointed one of the greatest business men in the country to serve as vice-president and general manager of the United States."

Saunders Norvell,
President, Remington Arms
Company, Inc.

The Key to Heaven, Profits and Hell

"This 'service' gag is nothing new. Spiritually, it is the one great truth that permeates the Bible, Koran and Confucius. The whole world recognizes it as the way to get to Heaven. What I am telling you is even more important: if you want one sure way to get rich enough to go to Hell respectfully, forget everything but honest service to your fellow men. In advertising, this turns itself into one sure, safe formula for turning people into gold: Don't tell people how good you make your goods, but how good your goods make them."

Kenneth Goode

All the Prospects Were Selfish

"Try to get a strong self-interest element in every headline. In fact, try to put as much self interest as possible into every piece of advertising you write, no matter whether it is to reach the prospect by way of a magazine page or a newspaper page or by direct mail. Of all advertising appeals, self interest is the most important."

John Caples,
Batten, Barton, Durstine & Osborn, Inc.

Educate 'Em! Hurry 'Em! Close 'Em!

"To educate prospects, before the salesman calls,

and while he is calling; to make each sales call produce greater results, and thus reduce the total number of calls needed; these are specific jobs which we expect our direct mail to do for us—and we have not been disappointed"

Dale Wylie,
Sales Promotion Manager,
Iron Fireman Manufacturing Company

"The General Got the Croix de Guerre . . ."

"Any sales manager who wishes to get the best results from his salesmen should by all means get out into the field with his men and work with them. The new salesmen have a lot to learn. They must be taught to follow up immediately every return card that comes in, how to make the approach, how to make the sales presentation. Only by seeing his men in action can he determine the weak points and apply the remedy."

Robert K. Orr,
President, Wolverine Insurance Company

Be Deep, Sweet Child, and Let—

"The development of a merchandising plan requires no sorcery. Analysis and study are far better tools with which to work than cleverness . . . real salesmanship consists not in selling a person something he does not want, but rather in making him dissatisfied with what he has, or in creating a new want he never had before."

Gordon Laurence,
Advertising and Sales Promotion Manager,
L C Smith & Corona Typewriters, Inc.

Burnt Fingers Are Crossed Fingers

"The American public is in a super-critical frame of mind. Don't tell them that you have good value if you do not have it. The public is all fed up on 'amazing values,' which are no more amazing than last year's calendar. You can't bluff your way into the select group who are offering real value by strong statements. . . . Thousands of dollars are daily being wasted trying to tell the public that a doubtful value is a real one."

P. J. Kelly,
Assistant Sales Manager,
B. F. Goodrich Company, Tire Division.



Photo by Underwood & Underwood

G. E. Men Break All Summer Sales Records with \$1,646,750 Volume in "Dig In" Campaign

—and every dollar of it was brand-new business. The Incandescent Lamp Department of General Electric came through with 164.7 per cent of quota during the discouraging "dog days" just before the upturn—a period when many other firms were saying, "There are no orders. People just aren't buying."

Based on an interview with

N. H. BOYNTON,

Sales Manager, Western Sales Group, and

E. E. POTTER,

Sales Manager, Eastern Sales Group, Incandescent Lamp Division, General Electric Company, Cleveland

A MILLION dollars' worth of new business, whether in the incandescent lamp industry or any other field, is a "whale of a lot" of business in these times.

Yet that was the amount decided upon at the outset of the "Dig In" activity, a summer drive for new business recently completed by the Incandescent Lamp Department of General Electric Company at Nela Park, Cleveland, Ohio.

Convincing proof that the men who planned the campaign did not aim too high is found in the fact that on September 30, a month after the official closing date, the activity had attained a quota realization of 164.7 per cent, with a total of new contracts valued at \$1,646,750 secured.

On January 1 of this year the field sales forces of General Electric's lamp department were consolidated. Therefore, over a period of many years, they had operated as two independent units: the Edison Lamp Works with its eleven district offices, and the National Lamp Works with its thirteen division offices. The welding of these twenty-four regional offices into a harmonious group of seventeen sales divisions without interruption of routine or impairment of morale constitutes a striking testimonial to the managerial ability behind the drive. But that is a story in itself. Suffice it to say that several months were consumed in the process, and it was not until late spring that the task of reorganization was finished.

When the new field force was finally ready to operate as a unified group, it was not a question, to the sales department, of whether or not the new setup was as efficient as the old. It was better, from an organization standpoint. But how did it compare with its twin-brother predecessors from a sales-producing standpoint?

There was just one way to determine. And that was through the medium of an intensive sales activity that would not only get everyone thinking along the same line—always of prime importance in a reorganiza-

No. 25

May 3, 1932

LAMP POST

\$1,000,000 GOAL IS SET

DIGGING FOR NEW BUSINESS LAUNCHED BY NELA LEADERS

SMASHING SUMMER DRIVE FOR NEW LAMP BUSINESS STARTS JUNE 1st

Interest in the contest was kept at fever heat by spirited reports of progress in the "Lamp Post," semi-confidential news bulletin published for the salesmen.

tion of any kind—but would put to the acid test the strength and mettle of the new force.

Appropriately, the activity was named "Dig In." And a quota of \$1,000,000 in new lamp business was established, divided equally between the eastern and western sales groups.

To some members it seemed that the quota was a bit high. Never before had a summer sales activity produced that much business. And, well—times being what they are . . .

But the die had already been cast. Competition being the stuff of which successful campaigns are made, it was decided to pit the six divisions of the eastern sales group, headed by E. E. Potter, against the eleven divisions of the western sales group, headed by N. H. Boynton. Real spades, symbolic of the activity, were presented to all division managers; long-handled spades for the eastern diggers, and short-handled implements for their western rivals.

The "Dig In" activity was officially launched on the morning of April 29, when Messrs. Boynton and Potter engaged in an earth-digging match, for the announced purpose of testing the relative superiority of the long- and short-handled spades, and to break ground on the campaign.

The dirt flew thick and fast, without advantage being gained by either contestant. At its conclusion it was declared a "draw." That left the matter entirely up to the sales divisions. They were now definitely on their own. And by their success or failure would the digging power of their spades—their salesmanship—be determined.

The contest was officially announced to the sales forces in the May 3 issue of the *Lamp Post*, the semi-confidential news bulletin published from Nela Park for field salesmen.

In a message to his forces Mr. Boynton said: "We have all been digging for new business—and getting it, too—as part of our job for a long time. Therefore we welcome this summer drive which will highlight our activity in securing new accounts, both throughout our own organization and with our distributors. My short-handle spade is all shined up now. How about yours?"

Confidence fairly exuded from Mr. Potter's message to his group. He said: "This summer drive for new business is most timely. Here's to its success. I feel confident that we of the eastern organization can show the world that long handles are a long ways the most effective. So more power to every husky wielder of the long spade."



The dirt flew thick and fast at Nela Park's camp grounds as N. H. Boynton and E. E. Potter officially launched the "Dig In" Drive for \$1,000,000 in new lamp business.

No sooner was the contest announced than a flood of telegrams poured in from divisions throughout the country, telling how each was "digging in" in its respective sector, and was determined to meet its quota. For example, almost immediately upon receipt of his spade, E. F. Strong, manager of the Empire division (Buffalo), telegraphed to H. F. Barnes, sales promotion manager at Nela Park, "Thanks for shovel. Already worn out. One result twenty thousand dollar Form E (consumer contract). Every member new organization digging. Send more shovels."

Inter-divisional rivalry was fomented by headquarters, which took particular pains to call the attention of other divisions to any sizable contacts landed by any one division. Perhaps the most spirited rivalry of this type took place between the Atlantic (New York) and the Midland (Chicago) divisions. Hardly had the activity got under way than the Atlantic Division dug up a \$10,000 Form E (consumer) contract. The news of this achievement, published in the May 16 *Lamp Post*, touched the Midland division to the quick. That sector speedily responded with a contract of the same size and type.

The other divisions, meanwhile, were not idle. Far from it, in fact, as witness the following telegram from D. H. Wyre, manager of the Allegheny division: (Pittsburgh) "Allegheny division makes 65 per cent of quota (of \$45,000) in the million-dollar drive the first three days."

H. D. Puckett, manager of the southwestern division (Dallas), cheered headquarters and gave the other divisions a mark to shoot at when he wired: "Quota busted first six days'

campaign stop gang digs up thirty-five thousand five hundred dollars' new business stop entire office now compiling figures for next report stop I hope the echo of this report reaches my good friend Tom Moore."

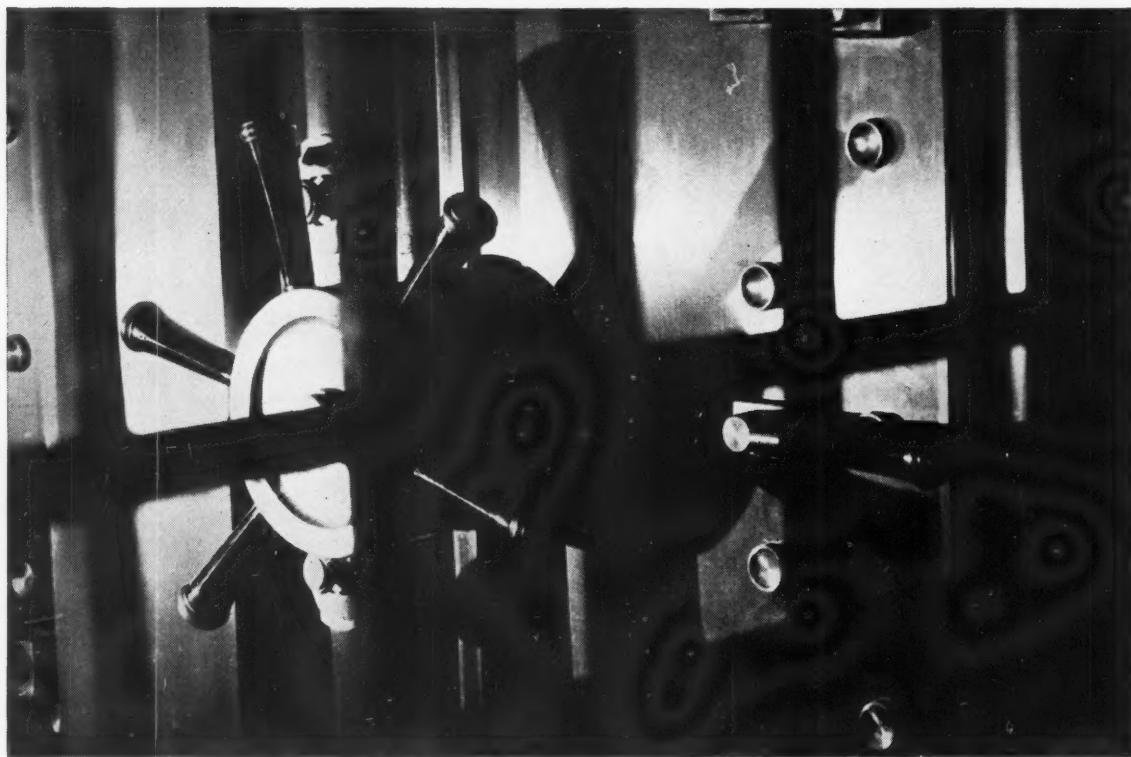
The echo did reach Tom Moore, manager of the southeastern division (Atlanta), who speedily burned up the telegraph wires with the following message to Mr. Barnes: "Extra, extra, Southeastern cotton pickers dig long and deep and unearth new ten-thousand-dollar agency in South Carolina stop captured business from non-MAZDA stop feel this accomplishment deserving of big box-car headlines in the *Lamp Post*."

"It takes real hot weather to grow cotton," went on Mr. Moore in a letter following his telegram. "There is an old saying in the South to the effect that when you can sleep with your shirt-tail over your head and not reach for the cover, it is getting hot enough for cotton to grow. Hot weather ought to grow a lot of contracts, as well as cotton, and we're getting ready for some nice warm weather."

Of course, all of these taunts and gibes were published in the *Lamp Post*, which took advantage of every opportunity to whet the competition to the razor-edge. A notable feature of each issue was the column, "Dishing the Dirt, by the Old Mudslinger." This column digested all communications from the divisions, and after carefully selecting each spicy message, added a barb or two to it for the benefit of its division readers.

Sales tools for the new business drive consisted of six specially prepared pieces: a sales manual for the division men, a slide film on lamp

(Continued on page 335)



Unusual photographs lend unusual interest to a brochure just published by the Lincoln National Life Insurance Company, the purpose of which is to take the reader for a trip through the company's home office at Fort Wayne. Contrary to the custom, the work in each department is the thing featured and not the persons in charge.

(Above) Dramatizing the safe-keeping of company papers, through a glimpse of the giant vaults. (Below) The law library is symbolic of the legal department which has charge of contractual relations with policyholders, and related matters. Photos are by Sheldon Hine.



BY HAROLD D. READ

Million Dollar Salesmen

Bill Holabird has been selling around a million dollars' worth of furniture a year, every year since 1927. He's been particularly successful in getting big orders from the chains. Here is how he does it.

WS. HOLABIRD, JR. (Bill to you—and to his hundreds of friends and customers), sells novelty furniture to retailers. Within ten days recently he closed four orders for a total of 1,400 Governor Winthrop secretaries at prices varying from \$16.50 to \$23.50 each. These sales, amounting to more than \$25,000, were the first furniture orders he had ever received for items priced higher than \$7.50.

And yet, within the past five years, Holabird has made personal sales totaling more than five and a half million dollars' worth of novelty furniture at an average price of less than \$2.50 per item. His line includes magazine racks, end tables, coffee tables, inexpensive lamps and other small novelties. Ordinarily, the price of his merchandise ranges from less than 10 cents to about \$6.00 per unit.

He sells for the Holabird Company, Bryan, Ohio. Yes, he has worked for his father, but don't smirk. Until the father's death recently, Bill Junior has worked under one of the most unusual father and son business arrangements ever devised. Most people who hear of a young man making good in his father's company accept the information with a tongue-in-the-cheek smile indicative of grave doubts regarding the son's accomplishments.

But there is no room for the doubting Thomases in the case of Bill Holabird, Jr. In the first place, he did not start to work for his father's company until early in 1927 at the age of 35. Before that he had made and lost a

Other "Million Dollar Salesmen" articles appeared in SM for July 18, August 8, November 7, and December 26, 1931, and January 16, 1932.

fortune in the building construction business in Chicago. When he saw his real estate investments wiped out and his construction business reduced to a mere shadow of the former prosperous enterprise, he made this proposition to his father:

"Let me bring you new items to manufacture. Then I will go out and sell them. You pay me a straight 5 per cent on the gross volume of business I add to your plant. I don't expect a cent from the accounts you already have on your books. My profit will come entirely from the new accounts I open for you."

His father accepted the offer. Two weeks later Bill walked into the main office of one of the large chain stores with a suggested novelty item to be retailed at 10 cents. This item was a small metal desk memorandum pad. The chain store buyer liked it and suggested other items which might go with it to form a complete desk set at 10 cents for each individual item. When completed, the group included the original memorandum pad, a desk blotter pad, roller blotter, pen holder, pencil, ink well, ink well stand, calendar, letter opener, and letter holder. All ten pieces were to sell for a dollar, but, in accord with the company's policy, each piece was priced at 10 cents. Within a few days Holabird had his first and still his largest order, for \$360,000 worth of desk sets.

At the end of that first year his total sales were slightly in excess of \$900,000—and every dollar was from new customers of the Holabird Company. The next year, 1928, his sales went over \$1,350,000. Since then, although the desk sets are now only a memory, he has had two other million dollar years, his 1929 and 1930 sales

both exceeding the million-and-a-quarter mark. In 1931 he missed his million dollar goal, ending the year with sales totaling \$890,000. He landed \$290,000 in new orders before May 1 of this year, during four months which are usually the slowest of the entire year in the novelty furniture business. And he exceeded \$300,000 for the first six months, the slow half of the year, so he expects 1932 to end on the up-and-up despite "conditions."

What method does Holabird use in selling this volume of business? His answer is simple: "Show them how they can use as many items as you want to sell them." Although Holabird sells a line of merchandise which is essentially low-priced, his sales methods are not based on the time-worn story, "My price is lower, why don't you buy fifty thousand?" On the contrary, he has often landed huge orders when his price was higher than some competitor's.

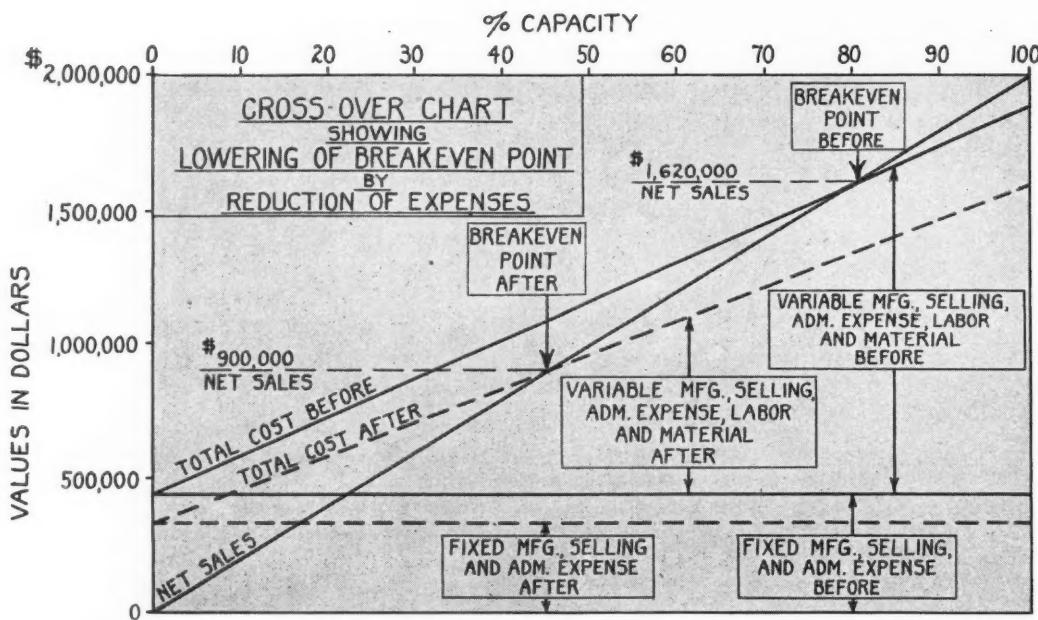
A typical example of how he sells ideas rather than mere merchandise or low price is well illustrated in a sale he made several months ago. A retail shoe company with twenty stores in the Middle West had followed the practice of sponsoring "Dollar Days" at frequent intervals. On these days the regular price of shoes was cut one dollar. Four dollar shoes sold for three dollars, five dollar shoes for four, and so on.



W. S. Holabird, Jr.

Holabird proposed to the officials of the company that, instead of making a cash reduction, they should offer the shoes at regular prices but give away a premium costing the stores one dollar but worth almost twice that at re-

(Continued on page 329)



This Cross-over Chart is helpful in plotting either actual or budgeted results. Until the point at which a business breaks even, and above which it makes a profit, is clearly established, as it is in this example, profit assurance in advance is impossible.

Treasure Hunting: A Search for Profits in Your Business

CHECKING the Economics of the Business: Eventually, profit must be translated in terms of dollars, and, if we are considering ways of increasing these dollars, we must probe among them. Only a beginning can be suggested; the details of each individual business will unfold as search is made and will suggest other and deeper investigations.

To some of us the statement that business exists to make profits is as obvious as the sea to a sailor. To others, profits are manna that chances to fall when sales are increased or expenses cut, and today the manna supply is conspicuously absent.

Past profit (or loss) results may serve as guides for the future, when trends of various elements of the sales dollar have been found by a comparison of results by successive years. A tendency is growing to call this type of study the "Economics of Business," which is merely a handy term to imply that business is a science based upon laws which produce profit if obeyed and which spatter red ink about if broken.

Part I of this article appeared in the October 1 SALES MANAGEMENT. Part III will be published in the issue of October 20.

BY
LINCOLN LOTHROP

*Secretary and Director of Merchandising,
Bigelow, Kent, Willard & Co., Inc.,
Boston, Massachusetts.*

Part II of an Article in Three Parts

One of the first points of study is the company's operating statement. When this has been set up in the form shown at the bottom of page 313, for three years, or preferably a longer period, certain points for investigation then become obvious.

For instance, in the example shown, the principal decrease in "Net Profit" appears to be the result of a serious loss in sales volume. Undoubtedly this is true, but numerous other factors causing decrease have entered in. Let us leave the question of sales volume to return to later.

First, "Returns and Allowances" have crept up until they are out of proportion as compared with trends of past years. Have customers been allowed to take undue advantage of a lax policy of allowing cancellations or re-

turning goods? Obviously investigation seems desirable.

Consider "Material" costs, which have not grown less in proportion to the lessened sales. Is this due to a greater drop in selling prices than in raw material costs? If so, can we better our buying methods? Or should the factory check up on the utilization of material and eliminate some avoidable wastes?

"Labor" evidently has become more effective, possibly due to the usual pruning of the payroll in hard times, possibly to a greater effectiveness of employees who are endeavoring to keep their jobs.

"Burden," too, has decreased in actual amount, but obviously not in proportion to the drop in sales. A study of the supporting schedule which makes up the \$301,000 is certainly necessary if profits are to reach their proper proportions.

"Administrative Expense" next comes up for consideration. Real effort obviously has been expended here—probably through drastic salary cuts. Yet the proportion of the sales dollar indicates that this item should eliminate about \$2,000 more.

"Selling Expense" has increased, not only in proportion but in actual amount. Sales results are not commen-

surate, but real thought must be given to decide whether the additional sales effort is justified or not. In many cases these days, but not always, an actual and a proportionate increase in selling expense is the best of insurance for keeping sales volume from dropping out of sight.

"Financial and Extraneous Income and Expense" have remained at about the same dollar volume. Attacking each item which makes up the amount of \$45,000, is it not possible to decrease this charge?

So much for the operating statement.

Next, let us investigate some of the trends of financial ratios of the business.

Everyone is familiar with the "Bankers' Ratio," or Current Assets over Current Liabilities. However, numerous other similar ratios can tell their tales of business trends, especially when they are calculated for several years, and the amounts are compared with a standard. For example, the "Earning Power of Capital Employed," or Operating Profit over Capital Employed indicates the effectiveness of the business. Inventory Turnover, Net Sales over Inventory, is significant in its trend and shows clearly whether the inventory of finished stock, raw materials and work-in-process is being kept in line with sales volume.

Numerous other ratios, about forty in all, are available for comparisons, and deductions as to internal conditions may, and should, be drawn when

investigating details of the business.

The Cross-over Chart is helpful in plotting either actual or budgeted results. In the chart at the top of page 312 is shown the result of reductions of expenses in lowering the point at which the business breaks even and above which the business makes a profit. Without this knowledge it is difficult to plan for a profit at any attained volume of business. In the example shown, a reduction of Fixed Expenses from \$520,000 to \$420,000, and a reduction in Variable Expenses of approximately 16 per cent reduced the break-even point from \$1,620,000 to \$900,000, or 45 per cent.

The economic studies suggested are elementary, but necessary, if business is to be conducted successfully, especially under present-day conditions. They may be carried much further with benefit, if conclusions are drawn and results acted upon.

Checking Sales Personnel: While it is convenient to consider products, markets and economics first, the most important factor in sales efforts is the sales personnel of the company, whether directive, field force, or office staff.

Though everything else in an organization may be "haywire," either in the sense of "all wrong," or "patched up," if the sales personnel is of the right sort, products do not matter, knowledge of markets may be nil, finances inadequate, control methods unsound, and yet the company will pull through. The right type of personnel

will have the product changed until it is reasonably free from criticism, will find sufficient finances, will learn markets and develop control policies.

Men are all that count; in comparison, products, finances, methods, are nothing.

It follows that, if the personnel is the most important item in the sales picture, every effort should be expended to place it in the most effective position to consummate sales. The sales organization should be *firmly knit*, yet flexible. In other words, each member must be made to feel that he is a permanent part of the whole as long as he produces, and yet must never be allowed to acquire the idea that he is indispensable or owns the company.

The salesmen of one shoe company had been in their territories so long and with so little direction that, when sales dropped badly, much difficulty was experienced in inducing them to adopt modern ideas of merchandising, particularly as regarded dealer education or their own method of compensation. "It's all hooey, and the company isn't going to mess up my territory," was the position taken by one man whose service dated back thirty years.

Obviously, men displaying such an attitude will not take kindly to suggestions for improvement of their work.

The *form* of the sales organization may well be checked to decide whether it is best adapted to the needs of the company. If we are selling to jobbers,

When the Annual Statement Reveals Weaknesses in Management

Can you spot this manufacturer's difficulties from a study of this operating statement? Study it carefully, and then read Mr. Lothrop's analysis in the accompanying article.

	1929	Relation to Sales \$	1930	Relation to Sales \$	1931	Relation to Sales \$
Gross Sales	\$2,335,000	1.011	\$2,265,000	1.007	\$1,560,000	1.014
Less Allowances	25,000	.011	16,000	.007	21,000	.014
Net Sales	2,310,000	1.000	2,249,000	1.000	1,539,000	1.000
MANUFACTURING COSTS:						
Materials	1,212,000	.524	1,187,000	.528	880,000	.572
Labor	202,000	.087	192,000	.085	125,000	.081
Burden	313,000	.136	338,000	.150	301,000	.196
Total	1,727,000	.747	1,717,000	.763	1,306,000	.849
Manufacturing Profit	583,000	.253	532,000	.237	233,000	.151
COMMERCIAL COSTS:						
Administrative	118,000	.051	96,000	.043	77,000	.050
Selling	83,000	.036	85,000	.038	91,000	.059
Total	201,000	.087	181,000	.081	168,000	.109
Operating Profit	382,000	.166	351,000	.156	65,000	.042
FINANCIAL and EXTRANEous:						
Income and Expense	45,000	.020	42,000	.019	45,000	.029
Net Profit	\$ 337,000	.146	\$ 309,000	.137	\$ 20,000	.013

might it be better for us to sell to dealers, or is there a possibility that sales direct to consumer might be sounder in policy, giving weight to such modifying considerations as product and financing? Possibly a change from agencies to distributorships or from branches to dealers might be advisable. No form of management is sacred because of its age; no policy of organization is immune from questioning at a time of general check-up.

Starting at the top, the *sales management* is today on trial for its adequacy. If the wrong man is at the head of the sales division of the business, now is the time to make the change. One adding machine company, for instance, within the last year, persuaded its sales manager that he would be much happier handling a distributorship in a large city than he was at the head of a far-flung group of high-pressure salesmen. Since changing his position he has made more money for himself, and has opened an executive job to a man far better fitted by temperament and training.

Traveling Sales Managers

Insufficient *staff* help in the sales department may cause much greater expense to the company than a reasonably larger staff which can save money through proper planning. As an instance of successful planning, in one machinery supply company the salesman covering Detroit regularly called upon twenty-two customers during each visit. His visits numbered eight a year. When his efforts were planned properly, it was found that he had five customers on whom he could call productively ten times a year; four, four times a year, and the others each needed but two calls a year. In other words, his Detroit customers and prospects could be covered properly with ninety-two calls a year, instead of 176 formerly made. In this particular case the additional attention given to the larger companies materially increased the sales results from Detroit.

Any senior sales executive today who spends over 50 per cent of his time at his desk instead of on the road is at once on the defensive to prove the soundness of his position. First-hand information and an intimate personal contact with territories and salesmen about the country are necessary these days. Office routine details of sales policy and correspondence can, and should, be handled by an adequate internal organization.

Rarely today do we find a successful sales situation without discovering a traveling senior sales executive, and rarely do we find a sales manager who

spends most of his time at the office and still is keeping sales at a desirable level.

Alibis, explanations, excuses—the swivel chair polisher has them all—but not sufficient sales volume and resultant profits. (Neither have some of the travelers, but they are fewer in number and at least, if they go down fighting, they have had a chance to win out.)

What of Sales Training?

If salesmen are not bringing in enough business, their *training* may well be checked. When one process machinery manufacturer was asked about the training of his St. Louis salesman he answered, "When he started he had a whole day here at the office and plant, and since he has been in the territory he has not sent us an order in six months." When asked how often the man had been seen during the six months' period, the answer was, "Oh, we've never sent anyone out there, but we've written him about once a week."

Imagine that poor devil of a bewildered salesman trying to make his way with a new line of unfamiliar machinery, backed only by half a dozen catalogs, schedules of prices and discounts, and a list of prospects! What chance did he have to make good?

On the other hand, a month's initial training may be insufficient in many lines, unless the training is followed up. In our more youthful days all of us have "crammed for exams." How much information laboriously stowed away remained with us six months later—or even a month? Only that which we used in practical fashion; only that which necessity recalled to our attention. The salesman differs little from the schoolboy in this respect; sales management must often provide the necessity.

One of the best methods as yet devised to keep salesmen on their toes is the *sales manual*. Accepted in principle, in many a company the sales manual is only an item of "printing expense" on the sales budget. It is well to check up whether means are provided to keep the salesmen using this powerful tool for increasing sales.

The *sales kit* also is worthy of attention. Salesmen love to talk, ignoring the psychological principle that the prospect's eye impressions are stronger by far than his ear impressions. Yet it is less natural for salesmen to show pictures or to display goods than to talk. We might as well recognize the fact that it is as natural for a salesman to keep his tongue quiver as for a wolf to howl. Only constant supervision and re-

minders of resultant dollar benefits will keep salesmen displaying visual kits which cost the company thousands of dollars. To the salesman his talk is ever new; to him it has the charm of novelty each time honeyed words drip from his lips; to him, photographs, screen pictures, samples, grow staler each time he shows them, even though the new prospect greets an unusual display with surprising enthusiasm. Only the management's utmost ingenuity will keep the sales kit in constant use. Check up and see.

Direction in the field gives the stimulus which keeps sales kits used and corrects other weaknesses of self-management of salesmen. If the number of salesmen is so large that they cannot be seen at sufficient intervals by the senior executives of the company, field coaches—trained not only to sell, but also to observe and correct faults of presentation and customer contact—can often revive a flagging sales organization and get it into production.

Especially effective in the case of a company making men's shirts were the efforts of a field coach when his compensation was in part dependent upon the future sales of the men he had visited. The time during which the override continued was limited to four months following the coaching period.

New Blood—a Challenge

Possibly the *age* of the sales force needs checking. A low turnover of personnel may be a liability if no new blood is coming along to replace old-timers slowed down by advancing years. A company making women's and misses' shoes realized it had a group of salesmen whose minimum age was fifty. The men knew the line, but were being outdistanced by more active, younger salesmen of competitors. Several younger men added to the sales force brought in an element of internal competition which increased the results of the entire force.

New men usually can be recruited best through the present sales force. A simple method of reward is to pay some such sum as \$25 to the recruiting salesman six months after the recruit started if he is still with the company. It is assumed that six months is long enough to decide upon the new man's value, and his presence on the sales force is proof enough of his worth to the company. Furthermore, since the management must reach a decision in a definite period of time, there is less likelihood that

(Continued on page 335)

Ad Testing vs. Ad Gambling

I AM going to try to convince you that, contrary to the general belief, any competent advertising man can *not* tell in advance whether one advertisement is going to be more successful than another. I repeat again what I have said before: no man knows the likes and dislikes of enough people to predict the preferences of millions whom he has never seen. The advertiser who relies on his own judgment, or on the judgment of an individual, or even on the judgment of a group of advertising men, is taking a bigger gamble with his appropriation than if he took it out to the race-track. There he would at least have the guidance of established odds, odds based on the past performances of the horses and the jockeys. But the man who stakes his money on untried ads hasn't even a dope-sheet to go by.

Now I'm not maintaining that all judgment is worthless. No more than I'd discount the value of judgment in playing a game of contract. Yet luck will always be a bigger factor than skill, and the only chance for the expert to demonstrate his ability is either to play a considerable number of rubbers or resort to duplicate. In the long run, some men will do much better than others in selecting winning ads, but a lot of clean misses are going to be mixed in among the bull's-eyes. And a lot of hard-earned profits tossed out the window.

I'm not exaggerating. The margin in which the factor of judgment operates is small, and I can prove it. It's a dash of skill and three jiggers of chance. It couldn't be anything else, as you'll agree when we go over the situation. Most of those who prepare advertisements . . . most of

those who approve them or veto them . . . are highly unfit to pass judgment on them. You don't believe that? I'll give you some good reasons why you and I and the majority of those who have to do with advertisements

can't gauge their effectiveness accurately. Outside of having been born the wrong sex, and then living the wrong kind of lives; outside of struggling with a lot of technical considerations which blind our eyes to the fundamentals and yielding our real opinions either in whole or part to associates of superior personality or superior authority . . . outside of that there's nothing to hamper us.

What chance have we? Eighty-five per cent of the retail purchases made by women and 85 per cent of the advertisements made by men. Not just men either, but

American men. So proud of their masculinity that any question of it is the deepest kind of insult. Brother, you can't get away with it even by smiling when you say it. So one minute we're doing our best to be rough and ready, hairy-chested he-men and the next we sit down at a desk and say, "Now I'll imagine myself a woman. I'm about to wash a tubful of clothes. What would I be thinking of in regard to soap?" History

tells us that Solomon was a pretty smart apple. It also tells us that, in spite of all his wives, the feminine viewpoint was a mystery he couldn't solve. But that was a long time ago. We've learned since then. The woman-mind is now an open book and the solemn gatherings in agency conference rooms and the corporation directors meeting in board rooms with pomp and circumstance . . . you've seen this happen . . . they clamp their cigars or their pipes between determined jaws and settle the fate of copy that is supposed to sell goods to women.

Their sex is wrong and so is their station in life. While there are some products which must be marketed among well-to-do minorities, the bulk of advertised merchandise is offered to the masses—and to be successful, copy must appeal to the *average* citizen. But the citizens who control the character of the advertisements are *far* from being *average*. I'll venture to say that their average income is at least \$5,000. We're members of the top 5 per cent and we lead different kinds of lives from the *average* American. Ninety per cent of national advertising is prepared and okayed by men who work in big cities and live in smart suburbs. Their viewpoint on life and its problems is colored, I might even say dyed, by their own daily routine. That's inevitable. They live in a world of their own. How can they expect to anticipate the reactions of the inhabitants of that other and far more populous world which doesn't possess the comforts to which they are accustomed. There are fifty million Americans living in homes without a bathroom. There are thirty million adult males who have never worn a dinner coat. Thirty million wives who have always done their own washing. And more than a hundred



BY
S. H. GIELLERUP*

Marschalk and Pratt, Inc.,
New York City

The wide, deep gulf which separates so many sales managers, and so many advertising men, from the mass millions who buy, is responsible for the failure of many a product, the flop of many an advertisement. This discussion happens to center about copy testing, but the premises upon which it is based are applicable to almost every phase of marketing management. You'll find it entertaining and stimulating.

*A portion of an address delivered before the convention of the Direct Mail Advertising Association, October 5, 6 and 7.

million men, women and children who have never played a round of golf. Why, we don't even speak their language!

We talk and we think differently—especially about advertisements. And there's no way we can prevent this. A skilfully drawn or photographed picture, as everyone knows, pulls better than one which is crudely executed. You can't blame us for our determined effort to get first-class craftsmanship in our typography and our illustrations. The only thing is that we carry it too far. It gets us. Like halitosis, it's insidious. And our best friends won't tell us. For they're advertising men, too. Since they are by no means typical readers, they are much more conscious of technical excellence than soundness of approach. So we arrive at the point where we are all advertising to each other—absolutely oblivious of what occurs when the practical eye of the prospect falls on our printed message. After we've been at the job a few years, we tend to develop habits of expression. One man must enclose every headline in a box. Another must have balloons in every picture. Some develop complexes for photographs with an army corps of models, while others build up phobias against long copy or short copy or script headlines. All of these pets and hates help to distort our judgment. They focus our attention on non-essentials. They compress our creative faculties into narrower molds. They make us less and less sympathetic to new ideas.

Very often when discussing this subject I begin to wonder how any good ads get into print. And I begin to worry as to whether I'm giving an impression that I don't intend. I've no apology to make for the average advertisement. Compared with what other business men accomplish in their own lines, it's a fairly superior product. But what burns me up is the fact that it could easily be ever so much better. That miserable idea that we can tell ahead of time what an ad will do leads us into one more trap—this one the deepest of all.

Just so long as we maintain that the measure of an ad's effectiveness lies within our judgment, we're going to remain at the mercy of casual, unconsidered opinion. Do I need to remind you that secretly, in his heart of hearts, every man in business, whether he can create advertisements himself or not, believes that he has God-given critical ability, that he has an unerring instinct for spotting exactly what's wrong with an ad and suggesting how it should be remedied? I'm not telling you anything new, of course, when I bring

that up; it's the oldest joke of the business. But look at the bearing it has on the situation we're discussing! The clear thinkers and shrewd ad-makers often . . . almost always . . . run afoul of associates who aim to have a hand in the campaign also. They're to be found in the agency's organization and in the client's organization. Some are sincere, some aren't, but the net result is a series of compromises. It's so much easier to let the other fellow have his way. So the man with the most dominating personality, or the man who has the last say-so, changes this feature and that and the poor copywriter tries to persuade himself that it may be for the best after all. It's like getting a committee of artists to paint a picture. It's the modern example of too many cooks.

If I were talking to you individually you'd say to me, "Giellerup, if the obstacles in the way of accurate judgment are so obvious, how is it that advertising men keep on ignoring them? Why isn't the practice of testing more widespread?" And I'd take that question quite seriously and explain what I thought were the reasons. First of all, it's a new procedure and no business changes its established procedure without considerable struggle. Second, too many of the wise-cracking geniuses and the forceful, desk-pounding go-getters fear that some of their pet theories may be exploded. Third, it's dangerous to organization discipline—suppose some insignificant junior in the office should prove to have a better idea than the chairman of the board? Fourth, it's an implication that all these years they've been groping around in the dark. Fifth, it's too much like reduc-

ing advertising to a formula, and, of course, no self-respecting advertising man would want to do that. Sixth, and most potent of all, it requires a lot of good, hard, analytical thinking.

For, strange to say, it requires a much more comprehensive knowledge of advertising to test an ad than to prepare one. A knowledge, I mean to say, of how advertising works. You could be completely ignorant of the relative desirability of right- and left-hand pages and still turn out a superlative piece of copy. You wouldn't need to know a thing about cumulative effect, seasonal fluctuations in reading habits, variations in editorial appeal of publications, or sectional differences in the viewpoints of consumers. The question of whether it is fair to measure current advertising on the basis of current sales is one which would never enter your head.

Yet the moment you begin to test advertisements, it's a question you'll be forced to answer.

I'm going to imagine for a moment that this article proves to be unexpectedly successful and one advertising man—just one man—reads it and firmly resolves to quite guessing. He prepares a new series of ads and tests them. They do 50 per cent better than the old ones. His client is delighted. The ads begin running and he looks for the improvement in sales. Three months pass and he doesn't get it. He's disgusted. Orders the ads changed. Tells the advertising man—the one who read this article—that testing is the bunk. The advertising man is inclined to agree with him.

What's the trouble? Simply a failure to take into consideration some of the other factors governing sales be-

(Continued on page 334)



Ask him what does he mean "wait until after election"? What's Mr. Roosevelt or Mr. Hoover got to do with Prouty's Perfect Panties?



**TAKE ADVANTAGE OF THESE
REAL VALUES
IN LONG DISTANCE SERVICE**

STATION-TO-STATION CALLS COST ABOUT



**Station-to-Station
DAYTIME RATES
(4:30 A.M. — 7:00 P.M.)**

15% less after 7:00 p.m.

40% less after 8:30 p.m.

LONG DISTANCE telephone rates are low, the day through. But twice each day the rates for station-to-station calls — those on which you will talk with any one who answers — are exceptionally low. Beginning at 7 o'clock in the evening, rates are reduced about 15 per cent, varying between 10 and 20 per cent, on nearly all station-to-station calls where the day rate is more than 35c. At 8:30 the rates drop approximately 40 per cent under daytime cost. These unusual values last until 4:30 in the morning.

For social and personal long distance calls, these evening and night rates are always popular.

And now business men are finding evening and night telephone calls a most economical way of transacting out-of-town business after hours. Branch managers, for instance, hold helpful, inexpensive discussions with executives at their homes. Salesmen report to their chiefs; or make appointments with customers for the next day. Officials in different cities confer as easily as though in the same city block.

Today, business men are turning to Long Distance for economy. It gets results — at a saving of time and money. Long Distance rates have been reduced four times in the past few years. Consult your local telephone directory to see how low they really are.

Or ask the operator for the rate to any city.



**Station-to-Station
EVENING RATES
(7:00 P.M. — 8:30 P.M.)**



**Station-to-Station
NIGHT RATES
(8:30 P.M. — 4:30 A.M.)**

Mileage Book Action Near, Officials Tell Sales Management

OME action on the part of the railroads in the direction of a modified rate for transportation purchased in quantity through scrip mileage books seems certain in the near future. Whether the rate will be established at two cents, or what denominations of mileage will be chosen, is still uncertain.

The hundreds of executives who have written to *SALES MANAGEMENT* endorsing our editorial of July 15,* and setting forth facts which show undisputedly that selling activities are being seriously hampered by the present pre-war rates, will be cheered to know that the matter is actively being considered by the various associations, and that railroad officials seem at last to be cognizant of the fact that a reduced rate scrip book plan would stimulate general business, through making possible widened field activities by salesmen. That it would also automatically create badly needed freight traffic for the roads seems to be less clearly understood.

We believe *SALES MANAGEMENT* readers will find the excerpts printed below, from correspondence on the matter with the Baltimore and Ohio Railroad, of special interest—partially because it reveals the spirit of enterprise which has characterized the activities of the B. & O. and shows their apparent willingness to endorse any change of policy which can be proved to be sound, and partially because it reveals some of the mistaken impressions under which railroad men are laboring in their thinking about the whole matter.

Undoubtedly the many letters written to *SALES MANAGEMENT*, which, in turn, were forwarded to a group of key railroad officials, are helping

* For those who wish to refer to previous discussions of *SALES MANAGEMENT*'s proposal that the roads issue scrip mileage books for large-mileage customers (of whom salesmen constitute the major class), the following articles and dates of issue are listed: "Wanted: Special-Rate Railroad Mileage Books for Salesmen" (July 15); "Railroads Can Offer Reduced Rate Mileage Books—Will They?" (August 1); "Rail Associations Say They Will Consider Rate Action" (August 15); "Mileage Book Proposal to Get Hearings by Road Officials" (September 1); "More Letters Cite Urgency for Salesmen's Mileage Books" (September 15).

to give these men a more adequate appreciation of the real importance of railroad rates as an item of selling expense under present conditions. Letters are still welcome, we might add.

* * *

By W. B. Calloway
Passenger Traffic Manager
The Baltimore and Ohio Railroad
Company

Mr. Willard has discussed with me your letter of July 19 dealing with the question of the re-establishment of a two-cent mileage rate. There have been quite a few communications come to us as the result of the editorial which appeared in your issue of July 15 and prior to that time we had periodical requests from traveling men and commercial interests using transportation to a considerable extent.

The question is one that has been frequently considered by the railroads, and, while there is no question but what it would, to an extent, promote some travel, there is a question as to whether the loss that would occur on travel that would normally move at regular fares would not be more than the gain from increased travel. A two-cent mileage book, for instance, would automatically reduce the fare from New York to Chicago from \$32.70 to \$18.20—a reduction of \$14.50, or 44 per cent—and it would require an increase of 80 per cent in the business to bring the same amount of money. Practically no one would buy a regular one-way ticket for \$32.70 and the business between all points of approximately 500 to 1,000 miles distance would be made at the two-cent rate.

We believe that there is some basis for the argument that the present-day cost of transportation is too high and out of line with general commodity prices, but the question of an adjustment in the basic fares to apply on the railroads throughout the country is one that must be dealt with carefully if we are not to sustain losses which may never be recovered.

Our own views are, however, that a mileage book sold at a nominal reduction, say 10 per cent, which in our opinion is a sufficient reduction for the purchase of, say, \$50, would stimu-

late some travel and would cause some passengers to make trips that would not be made if the book were not at hand.

We have discussed with traveling men's organizations and others the question of transportation costs and the possible benefit in the issuance of a reduced rate mileage book, and also the question of whether the absence of a mileage book is the real cause of traveling salesmen not being on the road.

When we analyze all of the expenses that enter into their movements we find that the present free use of taxicabs, hotel expense and charges other than rail transportation are all on a much higher basis than they were pre-war, and while the expense of transportation, of course, contributes its part to the cause of putting a traveling man on the road, or the prevention of a traveling man's going on the road, it is not the controlling factor.

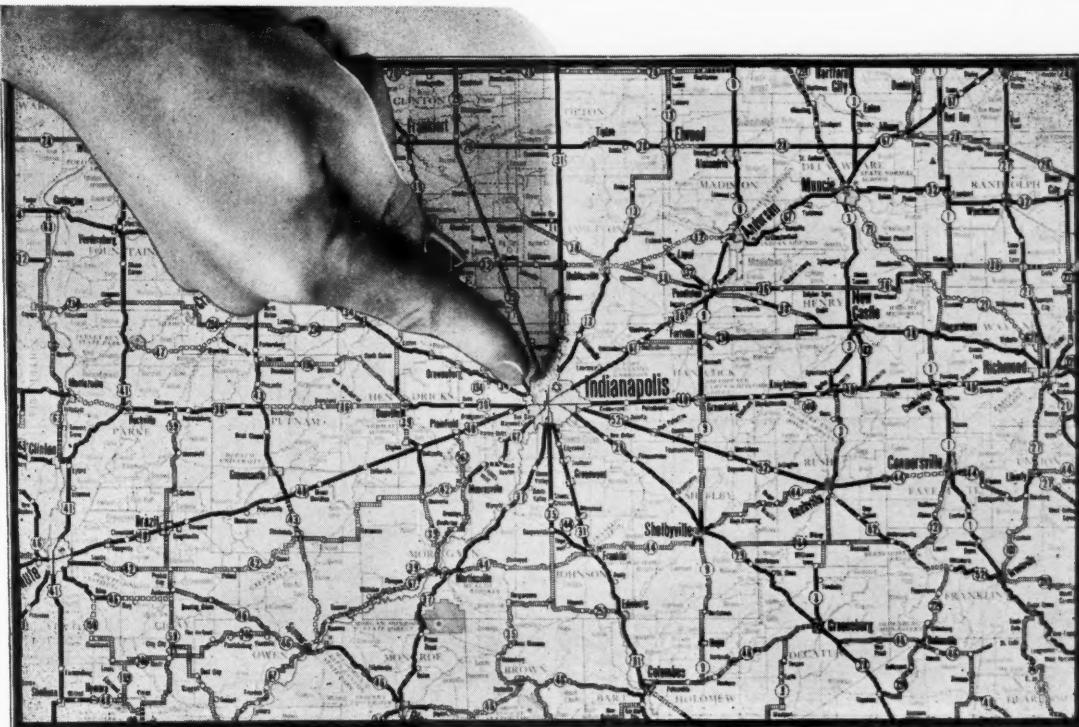
Mr. Lewis, former vice-president of the National Council of Traveling Salesmen's Associations, in an article in the *New York Times*, July 31, states that "group buying on the part of stores and retailers' belief that they could save the 10 per cent selling cost in the price of the goods they purchased by sending their buyers into the market to order, forced producers to drop their traveling salesmen." He further states: "So far as the salesmen see, nobody has gained by the new merchandising policies which deprived thousands of skilled salesmen of an opportunity to make a living."

I wrote these statements because they support the conclusion at which we have arrived after discussions with traveling men's organizations—that it has been a change of conditions rather than the absence of a reduced fare that has actually kept salesmen off the road.

As I have stated, the lines are giving very careful thought to the question of both a reduction in the basic fares and the establishment of a mileage book at a nominal reduction.

We appreciate very much having your views on the subject and I can assure you that the question will be given our most sympathetic consideration.

(Since *SALES MANAGEMENT* found itself in complete disagreement with Mr. Calloway on some of the points raised in his



“There’s our Try-out Market”

“Yes, sir, I’ve studied possibilities the country over, and the Indianapolis Radius . . . that’s the central Indiana territory economically dominated by Indianapolis . . . measures up as the ideal test market. Ninety-two per cent of its more than a million and a half consumers are native-born white. The illiteracy rate is very low. Living standards are uniformly high. The market enjoys exceptional transportation facilities. It is homogeneous, compact, unified. And business activity as reflected by bank debits is 23 per cent above the U. S. average.

“The advertising set-up is a ‘natural,’ too. We can do a thorough selling job with one newspaper, *The News*. *The News* has been first in advertising there for years . . . 37, to be exact. It covers the market . . . reaches the purchasing power . . . and gets the right kind of readership because its circulation is practically all home-delivered.

“No doubt about it, Indianapolis is a market we can go into profitably . . . NOW.”



**THE
INDIANAPOLIS NEWS**

New York: DAN A. CARROLL, 110 East 42nd Street

Chicago: J. E. LUTZ, Lake Michigan Building

letter, reply was addressed to him in which our position on the matter of scrip books for big-mileage customers was further clarified. Excerpts from SALES MANAGEMENT's letter are printed below.—THE EDITORS.)

. . . we have studied the figures quoted in your letter very carefully, and while we are, of course, thoroughly familiar with the principle involved as to the increase in volume necessary to overcome price cuts, we do not understand your statements in paragraph three of your letter. When we suggested a special rate for big-mileage customers, we had in mind something, say, like a 5,000-mile book to be used within a six months' period—not a reduction in rate on one-time long-haul business.

. . . we have noted your comments as to whether or not railroad rates are the controlling factor in a company's decision on putting men in the field. While it is true that group buying and other changed conditions have cut down the total number of men employed as salesmen, it is also true that most industries have discovered that personal selling cannot be dispensed with if competition is to be met successfully and profitably.

When conditions were generally good, as in 1928 and 1929, company executives could afford to, and were disposed to, carry the "marginal" territories. If certain men on the sales force were not doing enough business to break even, the companies in most instances wrote off the expense as "missionary work" or "building for the future," or whatnot. In 1929 the rate of net profit for 1,302 manufacturing and trading industries was 13.5 per cent, and companies could afford to do this. However, in 1930 that rate of return dropped to 6.7 per cent, and in 1931 to 2.5 per cent.

You can readily see, therefore, that under such conditions of radically diminished profits these "marginal" territories, and the matter of sales expense in profitable territories, became a very serious matter. You argue that "times have changed," and created a certain condition in which railroad rates have no part. We argue that times have changed even further—and created a brand new set of conditions in which the matter of the cost of traveling men becomes of altogether new importance. Furthermore, many of the letters we are currently receiving from sales executives sustain us in this conclusion.

It should be understood that when we advocate a two-cent rate, we do so in behalf of big-mileage customers only (of whom salesmen, we believe, constitute by far the biggest percentage), and we believe such tickets

should be sold on a non-transferable basis.

However, we reiterate the theme of our original editorial here: the increase in passenger traffic business is secondary to the purpose of increasing freight volume, and we cannot help feeling that any road that ignores this phase of the question in its consideration of the scrip book proposition is doing so only to its own detriment. If more salesmen get into the field, and those now in the field circulate more freely, orders are bound to be created. The conclusion that freight volume will thus be automatically increased is inescapable.

(With this letter were sent marked tear sheets carrying reprints of several dozen of the letters from sales executives who definitely stated that they had taken men off the road, or were holding them out of certain territories, because of the excessive cost of travel. Mr. Calloway's reply is printed below.)

In going through my mileage book file in connection with its consideration at the Trunk Line Association meeting in New York, I note that there are one or two questions raised by you in your letter of August 17 which have not been responded to. When this letter was received in response to my letter of August 12 it was checked for file.

You question the meaning of my thought in the third paragraph of my letter, which referred to the effect of the mileage book on regular business.

I understand that you have in mind the issuance of a 5,000-mile book at a rate of two cents per mile. In my opinion we would not be able to make this effective, or at least remain effective very long; I think the Commission would raise the question of discrimination.

Your rate basis of two cents proposes a 44 per cent reduction from normal fares, which seems to be a much greater decrease than could be justified on the basis of a wholesale purchase, and this feature is the one that has always caused difficulty with the mileage book.

The original two-cent fares that were made effective in a great many states were justified by their advocates largely on the fact that the railroads made a two-cent fare for anyone who could afford to buy a mileage book, and if they could afford to carry those people for two cents they should carry everyone for that amount, so it is my personal view that any reduction that is made in the mileage book rate from the normal fare must be some figure that can be really justified on the basis of a wholesale purchase or you will have difficulty in establishing it and maintaining it, and I further feel,

based on my experience in the past, that while a 5,000-mile book will be appreciated by many, there will be a very definite demand for mileage of lower denominations, and when you get down to a 1,000- or a 2,000-mile book, then most of the journeys of 500 to 1,000 miles distance will be made on the mileage book and not on the regular tickets.

For instance, a passenger from New York to Chicago, a distance of 908 miles—round trip 1,816—would never purchase one-way tickets if a 1,000- or a 2,000-mile book at a reduction were available. The sale of a 5,000-mile book would prevent this, but, as I stated, I doubt if we would be able to hold to a 5,000-mile denomination book; I think public demand will force us to place on sale one of lower denomination and when that is done the difference between the rate per mile for the mileage book and the basic fares must be consistent or the basic fares will not stand.

We feel that there probably should be some modification in the basic fares and then possibly a 10 per cent reduction for the mileage book, that this book should possibly be in denominations of 1,000 miles or over and should be good for general use, with as few restrictions as possible, possibly just enough to safeguard it from counterfeiting.

This question, as you probably know, is under discussion by the various lines and I am hopeful that we will be able to come to some common understanding in the near future.

By T. H. Rea

Sales Manager
Armstrong Machine Works
Three Rivers, Michigan

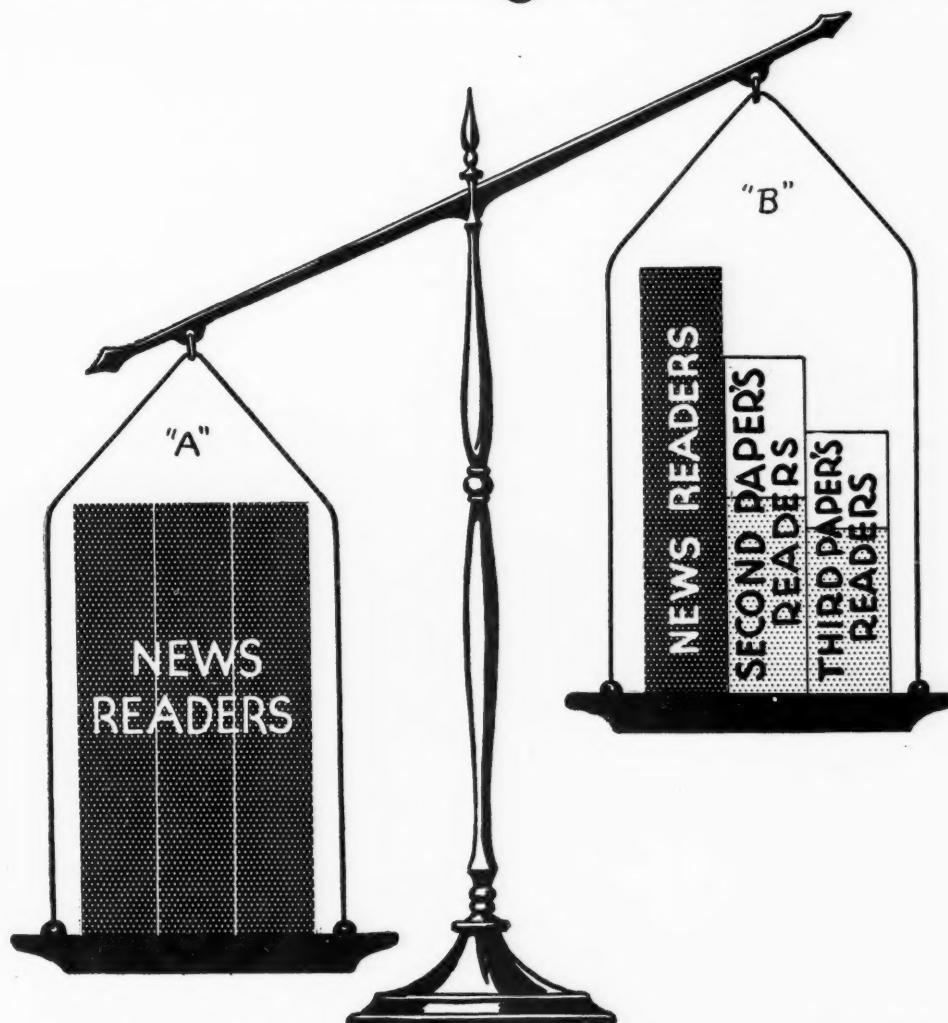
Your campaign to restore mileage books for salesmen, based on a two-cents-a-mile rate, is exceedingly timely and, in our opinion, if successful, will do more than a little to restore normal business conditions.

While we have no accurate figures, in my opinion the amount of real travel done by our salesmen and distributors would be increased at least four times if the cost were brought down to a reasonable basis. This would, of course, more than double the gross income that the railroads would receive.

With rates of 3.6 cents per mile, we find it more economical in many cases to drive—even though this requires extra time. With lower railroad rates, practically all traveling could be done at night on the train, thereby utilizing the entire business

(Continued on page 333)

Sell More Detroit Homes By Concentrating in The News



THE home coverage afforded by the three Detroit newspapers, in terms of home readers and, consequently, potential buying power, is graphically portrayed by the chart above. "A," or the left half of this chart, shows how advertisers can reach the greatest number of home readers **EVERY TIME** by publishing all their advertisements in The Detroit

News. "B," or the right half of the chart, shows relative coverage obtainable when space, instead of being concentrated in The News exclusively, is split among all three Detroit newspapers. Note the *light shaded* portion of the right side of the chart, which shows how News' circulation overlaps 54% of the circulation of the second paper and 69% of the circulation of the third paper.

Make your copy dominant in The News and get thorough coverage of the Detroit market at a single, economical advertising cost.

The Detroit News

THE HOME NEWSPAPER

New York Office
I. A. KLEIN, Inc.

Chicago Office
J. E. LUTZ

Standard Oil of New Jersey Starts to Get Control of Home Heating

A "free service" campaign by the Standard Oil Company of New Jersey has sold some 60 Gilbert & Barker oil burners to home owners of Washington, D. C., in 30 recent days, has placed thousands of gallons of fuel oil under contract and is rapidly demoralizing the fuel oil and oil burner market there.

The program, said to be an experiment, will be extended to other cities if it succeeds.

Standard of New Jersey has been selling the burner in the east for seven years. This phase of the business has just gained momentum with the establishment of a new selling policy, offering residence equipment for an average of \$395 in Washington, on terms of \$25 down and \$11.23 a month for three years. The burner is guaranteed for five years—covering all defective parts for that time. If the purchaser agrees to use Standard oil exclusively for three years, however, the company will replace all parts that do not function properly and keep the burner in good condition at no cost.

As long as the purchaser continues to use Standard oil exclusively, the company will service the burner free, making all adjustments and repairs, and charging only for necessary parts and materials at cost to manufacture. The oil is to be billed at the local market price, and service is available night and day. Furthermore, the service is offered on any make of oil burner, provided the owner will agree to use Standard fuel oil exclusively.

Independent distributors in Washington are finding it increasingly difficult to compete. Several have gone out of business. Two or three larger companies are preparing to meet the competition—one by employing the Standard free service, presumably at a special plus price on Standard oil, and another by offering a similar service.

Salesmen of competing oil burners are using various devices to discourage the interest of home owners in the new service.

Petroleum Heat & Power Company is the first oil burner manufacturer to advertise in Washington a similar service. This company, however, is now related to Standard of New Jersey, through its acquisition of control of Pan-American Petroleum from Standard of Indiana. About 40 per cent of the stock of Petroleum Heat & Power has been held by Pan-American.

Distributors of the better-known oil burners expect their manufacturers to

meet the competition by furnishing a similar service. While the price on Standard's G & B oil burner is very low, it is generally thought that higher prices for competitive burners can be justified, and there are several burners on the market that are sold at the same or lower prices. There is also the chance that the leading manufacturers will form some cooperative arrangement with other oil companies to share the expense of a competitive service.

Several years ago, it is said, Standard of New Jersey shipped a great deal of fuel oil into this market that was below the expected quality. This oil caused all burner manufacturers a great deal of trouble, and put a number of burners out of business. In many instances Standard paid for repairing burners and made satisfactory adjustments to large fuel oil users.

The company did all it could to remedy the situation; but the aftermath has been discouraging. There has been a tendency on the part of the representatives of burner manufacturers to continue to blame Standard fuel oil, whenever it was used in a burner that was not giving satisfaction, for the faulty service of the burner. This habit, it is claimed, became general in the Washington market, and it undoubtedly had something to do with the decision of the company to promote the new policy. At any rate, Standard is now in a position to detect faulty functioning of its product.

A prominent distributor who would like to remain in the fuel oil business explained to SALES MANAGEMENT that the future of his company in Washington depends entirely on the favor of Standard Oil.

"Since Standard fixes the resale price of fuel oil in this market, and also fixes the price at which we buy, it can put us out of the business at any time by simply shrinking the margin to the losing point," he explained. "I can't see how the company can pay a profit on its fuel oil business under the new selling policy, and it remains to be seen how much business it will lose because of the opposition of the manufacturers of competitive burners.

"If the free service is extended to all other cities it will undoubtedly demoralize the entire fuel oil business of the country. It is our hope that Standard intends to remedy the situation here, and that it will discontinue its policy as soon as it overcomes the condition that militated against the use of its oil.

"While all good distributors believe in adequate service, we also know that service can be carried too far. Fuel oil is distributed on a narrow margin, and unless Standard is making an exorbitant profit on its oil it cannot afford to extend its costly free service very far. If it does it will put a great many independent distributors out of business.

"I do not think the company could get to first base with its new policy if it did not fix the price of oil in this market. It will be interesting to determine whether the market price for fuel oil here compares favorably with that of other markets controlled by Standard, or whether there is a differential sufficient to take care of the cost of the free service."



W. R. Wilson
Copeland's new president

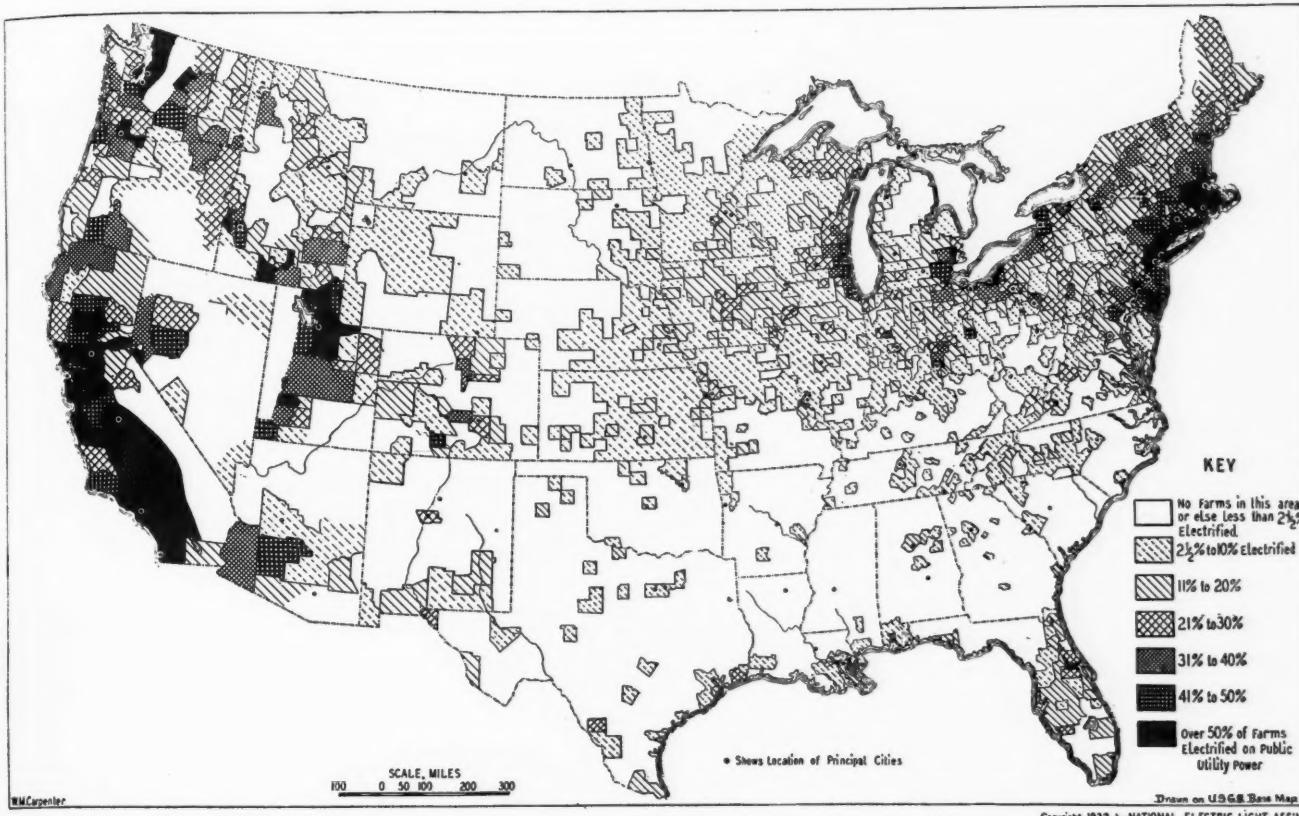
Wilson Runs Copeland as Ruthenburg Quits

William Robert Wilson, chairman of the board of Copeland Products, Inc., Mt. Clemens, Michigan, has assumed active management of the company, as president, on the resignation of Louis Ruthenburg.

Mr. Wilson has specialized in the reorganization of various companies—among them Maxwell Motors, Reo and Murray Body. He has also been president of the Guardian Trust Company of Detroit.

More Scope for Pierce

F. R. Pierce, formerly household sales manager of Frigidaire Corporation, Dayton, has been made sales manager of the organization, with direct supervision over the household, wholesale commercial, retail commercial, air conditioning, department store and public utility divisions.



California, western Washington, north central Utah and the Middle Atlantic states seem to offer the best rural opportunities for electrical appliances and equipment.

Number of Electrified Farms Quadruples in Eight Years

Between December 31, 1923, and April 30, 1932, the number of United States farms served by electricity increased from 177,561 to 702,963, the National Electric Light Association, New York, reports in "Progress in Rural and Farm Electrification," just published.

Even so, in only six states do more than 50 per cent of the farms now have electric service. California is first with a percentage of 63.8; then Rhode Island, 59.5; Utah, 56.8; Massachusetts, 55.8; Connecticut, 53.0, and Washington, 51.0. California also leads by a wide margin in total number of electrified farms, with 86,548. New York is second, 51,439; then Ohio, Pennsylvania and Wisconsin.

"Standard of living" indices for farms in the various states are included in the report. With 6,288,648 United States farms counted by the Census of Agriculture in 1930, 2,139,194 or 34 per cent had telephones; 15.8 per cent had water piped into the farm houses, and 8.4 in the bathrooms; 9.5 had high line electric light service and 4 farm plant light service.

On the other hand, 58 per cent of all farm families had automobiles;

13.4, trucks, and 13.5 tractors.

Iowa, with a percentage of 84.2, led all the states in farm telephone service and Louisiana was lowest, with 3.8. Kitchen sink facilities were found to be best in Massachusetts, with 74.5, worst in Arkansas, with 1.5. Arkansas also was found most wanting in bathroom facilities, 1.0, while California led with 56.8.

Among farms of all the states, those of Nebraska (91.8) were best equipped with passenger cars; New Jersey (49.3) had the highest proportion of motor trucks, and North Dakota (43.8) of tractors.

Between 1924 and 1931 the greatest annual increase in number of farms—112,000—was made in 1928. The increase last year, however—50,000—was twice as great as that in 1924.

Liquid Promotes Crane

R. H. Crane has been placed in charge of sales promotion and advertising of the Liquid Carbonic Corporation, Chicago. Joining the staff of the Dallas branch seven years ago as a soda fountain salesman, he soon became sales supervisor of that district. Since 1928 he has been supervising sales education at the Chicago headquarters of the company.

Unemployed of Seattle Manufacture and Sell Cooperative Shingles

Forty unemployed heads of families in the Pacific Northwest have started a cooperatively owned and operated cedar shingle factory, as a demonstration of practical self-help in this wooded region, just north of Seattle, where a market is being found for the new products.

The factory, called "Prosperity Mill," is in a colony of unemployed north of Seattle, known as "Fertile Acres."

Although Otto G. Hensel is the originator of the settlement, E. Edland, who has been a shingle mill operator in this region for thirty years, is in charge. The mill is turning out 60,000 shingles a day, by means of double shifts of unemployed workers, to fill orders already received.

Markets are being opened right at home. Remuneration for the products affords greater opportunity for further clearing of the acreage in the colony, and the expansion of other productive activities on the cleared land secured by the unemployed.

Prosperity Mill shingles bear the quality label of the Red Cedar Shingle Bureau, of which the organization has become a member.

First-Line with Poorer Prospects or Second-Line with the Best?

Is it better for your product to be a "first-line" among secondary prospects or a "second-line" among the best?

After several years of experience along the latter lines, Delaware Punch Company of America, San Antonio, has found it advisable to sell its product to the biggest bottlers in each locality.

In fact, in its present business paper campaign the company is featuring Delaware Punch as a "companion drink" for carbonated beverages.

The primary prospects of the company are bottlers of carbonated beverages, of which there are about 7,500 in the country. The product is sold to bottlers on an exclusive franchise basis.

The early, continued and widespread success of Coca-Cola attracted the leading bottlers in most towns to this product. Today most Coca-Cola franchise holders use the parent company's name in that of their own companies.

In recent years the Dr. Pepper Company has made considerable progress in the bottled beverage business, and the owners of these franchises naturally feature this drink as their first-line product. But they are usually smaller bottlers.

Delaware Punch first essayed a policy similar to Coca-Cola's, then followed Dr. Pepper's—attempting to develop its product as a first-line bottled product. The company brought pressure to bear on franchise holders to have them incorporate its name in theirs.

"But conditions were far different when we entered than they were at the time of the earlier successes in the bottled beverage field," explained C. T. Abbey, president. "When Coca-Cola approached bottlers for franchises there were no outstanding franchise drinks and the best bottlers in every town were logical prospects. None were obligated to feature any other first-line franchise proposition."

"When Dr. Pepper started to work the bottling field consistently," Mr. Abbey continued, "this firm, at worst, had the second-choice bottler in each city as a logical prospect."

"At first we asked all bottling prospects to accept our franchise and make Delaware Punch their first-line drink. By so doing, we found, we eliminated automatically the leading bottlers, who were usually tied-up profitably with Coca-Cola or some other popular franchise drink."

And so, last year, Delaware Punch Company reorganized its sales plan and switched its appeal. It began to ask first-class bottlers to make Delaware Punch their second-line drink.

The results were highly favorable, and the 1932 campaign is built wholly around this appeal.

"Under the former plan," Mr. Abbey pointed out, "many of the leading bottlers of the country were our direct competitors—that is, competitors of our bottlers. Under the new, they are our best prospects. Regardless of a bottler's franchise connections today we can still go to him with our plan and show him how he can add our product without interference with his leading franchise beverage. We point out to him that our franchise is a companion rather than a competitor of his leading franchise beverage and thereby can add to his volume and his profits. This plan has increased our prospective field more than 100 per cent."

Current business paper copy says:

"Delaware Punch, the recognized leading companion drink for all carbonated beverages, is the bottlers' best additional volume producer. . . ."

"For that reason a Delaware Punch franchise means more sales without cutting the volume of your other beverages. . . . Delaware Punch has no competitor. It creates volume all its own. . . ."

Office Appliance Firms Make Sales Increases

Business concerns are beginning to put their office facilities in order—and office appliance and equipment concerns are getting more orders.

After an increase of 26 per cent in August, Remington Rand's sales continue upward.

The Acme Card System Company started its fall advertising campaign a month earlier than usual, and in the week ending September 24 opened up more new accounts than in the entire month of August. On Saturday, the 24th, sales were 82 per cent ahead of the same day of August, and Monday, the 26th, was the best day in many months.

Business of the Addressograph-Multigraph Corporation improved consistently through September—new business in the first half of the month being 60 per cent above the corresponding period in August.

A "Hard-Boiled" Bank Promotes Its Case

"But remember one thing: The so-called 'hard-boiled' banks are the ones that are still doing business at the same old stands," says Wilson W. Mills, chairman of the board of the First National Bank, Detroit, in a three-quarter-page newspaper advertisement telling the public why a bank must at times refuse loans in order to keep them in line with deposits.

"In subnormal times," Mr. Mills adds, "deposits naturally shrink. As a result, total loans must be reduced."

"This doesn't mean that this bank isn't making commercial loans at the present time. It is. But it recognizes a dual obligation—to accept and safeguard deposits and to extend lines of credit to sound business year in and year out."

"Most of the 100,000 commercial customers of this bank recognize these principles and understand that their bank must live up to them."

Start \$160,000 Program to Market Cranberries

One hundred sixty thousand dollars—\$130,000 of them for newspaper space—will be spent by the American Cranberry Exchange, New York, this fall in behalf of Eatmor cranberries.

Two advertisements will appear weekly in newspapers in key cities during the next two months, and then once a week up to January 1.

S. S. McKinstry of Gotham Advertising Company, New York, in charge of the campaign, believes that the "bright red cranberry is going to bring about a changed attitude in a great many people."

1,650,000 Ralston Samples

Western Union messengers in forty-one large cities and environs went to work October 3 to distribute 1,650,000 samples of Ralston wheat cereal for Ralston-Purina Company, St. Louis—backed by a newspaper and radio campaign. With the sample the messengers presented each housewife with a cash coupon valued at 10 cents on a full package, and a miniature newspaper "for the children."

Directs Duriron Sales

W. H. Scott has succeeded T. D. Slingman, Jr., resigned, as general sales manager of the Duriron Company, Inc., Dayton. He has been with Duriron for thirteen years, recently as sales manager of the industrial department.

MORE SALES

for less money!

ITS repeatedly demonstrated ability to make more sales for less money has established The American Weekly as the most potent force in the magazine field today.

That's why in times like these you see one advertiser after another *turning his back on tradition* and concentrating in this Mighty Magazine.

For \$16,000 an advertiser in The American Weekly can reach one-fifth of the families of the United States with a full-page advertisement printed in four colors.

That means he can address 5,500,000 families located in the richest buying areas of the nation at the incredibly low cost of $\frac{1}{3}$ cent per family.

The page itself is a BIG page. Measure it—twice as big as any other magazine page on the market; an eye-smiting page that compels the attention of both consumer and retailer.

These advantages are concrete and subject to audit.

But there is another great factor in making The American Weekly the great advertising medium it is.

We say to you The American Weekly is the most interesting magazine in the world; to wit: a circulation twice as great as that of any other magazine.

To capture and sustain the interest of 5,500,000 families calls for a great understanding of people, of what interests them and why.

Turn through the colorful pages of this magazine and see for yourself how each issue contains something to challenge and hold the attention of every literate person in this land.

Sensational? Perhaps. Since people are interested in people The American Weekly devotes space each week to intimate glimpses into the triumphs, tragedies and romances of life.

But the editorial menu offers wide selection. Archaeology, astronomy, philosophy and the wonders of science are treated by world authorities in words the layman can understand.

On its magic carpet, the stay-at-home can ride to the fascinating isles of faraway. Here one can read of strange lands and the stranger people who live on the other side of the globe.

Fiction, too, in absorbing serials written by the outstanding authors of our time.

These are the ingredients that go into this Mighty Magazine that out-performs them all.

Where this Magazine goes

The American Weekly is the largest magazine in the world. It is distributed through 17 great Sunday Newspapers. In 558 of America's 995 towns and cities of 10,000 population and over, The American Weekly concentrates 70% of its circulation.

In each of 136 cities, it reaches one out of every two families
In 105 more cities, 40 to 50% of the families
In an additional 153 cities, 30 to 40%
In another 164 cities, 20 to 30%

... and, in addition, more than 1,750,000 families in thousands of other communities, large and small, regularly buy and read The American Weekly.

Where can you spend your advertising dollar more effectively?

THE AMERICAN WEEKLY

Greatest Circulation in the World

"The National Magazine with Local Influence"

Main Office: 959 Eighth Avenue, New York City

*Branch Offices: PALMOLIVE BLDG., CHICAGO . . . 5 WINTHROP SQUARE, BOSTON . . . 753 BONNIE BRAE, LOS ANGELES . . . 222 MONADNOCK BLDG., SAN FRANCISCO
11-250 GENERAL MOTORS BLDG., DETROIT . . . 1138 HANNA BLDG., CLEVELAND . . . 101 MARIETTA ST., ATLANTA . . . INTERNATIONAL BLDG., ST. LOUIS*

Herr Lilienthal Comes Over Here to Exchange Ideas and Patents

"The exchange of goods has been interfered with by tariffs, but there is no tariff on ideas," said Botho Lilienthal, president of the A. G. fuer Amerika Interessen, in a little discussion of German-American mutual development work at his office in the Chrysler Building, New York, the other day.

Herr Lilienthal has come over here with patents for some 100 items which the A. G. thinks can help to stimulate the business of American concerns. Their range covers air-conditioning devices, temperature controls, concrete mixers, pressure regulators, automatic self-centering chucks, universal carriage attachments for lathes, combination locks for luggage and brief cases, and processes for light steel construction of small homes. The 100 were chosen by the organization's research department from some 1,000 submitted by German concerns.

The devices and processes will be licensed to American companies. Herr Lilienthal also is conducting negotiations for American manufacturers who wish to dispose of patent and manufacturing rights in Europe.

The organization maintains offices in Berlin, New York, London and Paris, and similar exchanges are under way between Germany and Great Britain and Germany and France.

Though manufacturing and chemical processes far outnumber consumer goods in Herr Lilienthal's line of "samples," there are several of the latter which seem to represent improvements over American products. One, which he showed the reporter, is a small round "draft preventer," for use with air-conditioning systems and to provide air circulation without draft by installation in the tops of automobiles and railway cars. Called the Anemostat, it employs what might be called a microphone principle, distributing the flow of air over several channels. Already popular in Europe, the device recently was installed on the North German Lloyd liner Europa to provide proper circulation for inside staterooms. It comes in various sizes, to conform with the number of cubic feet to be ventilated and will be sold in this country at a low price.

Herr Lilienthal believes the work of the organization, which is already getting the cooperation of American concerns, will help to overcome the loss of about 35 billion dollars in world



Botho Lilienthal

trade since 1929.

"Germany is not prosperous just now," said he, "but I think we still have our engineering and inventive capacity."

National Brands Win in Name-Value Test for Cannon Mills

Though handicapped by a 10 per cent higher retail price, branded towels (Cannon Mills) recently outsold the identical merchandise with the brand label removed by an average ratio of 3.6 to 1.

The test was run in seven representative department stores in six cities. Equal space was given to the display of the branded and unbranded merchandise and equal newspaper advertising space. The towels were identical in quality and color, and customers were not allowed to make their selections without first being shown the unbranded product at the lower price.

The ratios of the sales of the branded and unbranded merchandise in the seven stores were:

D. H. Holmes, New Orleans....	1 1/2 to 1
A. T. Lewis, Denver.....	1 1/2 to 1
G. Fox, Hartford	2 1/4 to 1
Bloomingdale's, New York....	3 to 1
Emporium, St. Paul.....	3 to 1
Jones Store, Kansas City.....	5 to 1
Loeser's, Brooklyn, New York...	6 3/4 to 1

Cannon Mills also has found that, in similar tests in other stores, with the branded and unbranded merchandise priced the same, the branded led by an average ratio of 4 to 1.

U. S. Lithograph Shows What 57 Cents Can Buy in Each of Six Media

United States Printing & Lithograph Company, of Cincinnati, New York and elsewhere, has discovered, in a booklet entitled "Sales-Spot Advertising," that 20,000 window displays are sufficient for a full coverage of the 375 cities of more than 25,000 population, that each window has an average daily circulation of 13,620, that the average cost of all charges per window is about \$4 (with a guaranteed minimum showing of one week).

Fifty-seven cents, therefore, delivers 13,620 sales impressions through window displays at point-of-sale every day.

What will 57 cents do elsewhere?

It will provide a full page of magazine circulation to 199 net paid circulation and 697 possible readers.

A quarter page in morning newspapers at the same cost will deliver 377 buyers and 660 readers; in evening newspapers 293 buyers and 495 readers. In radio 57 cents may be expected to reach 866 sets and possibly 2,685 listeners; in outdoor, 4,912 passers-by; in car cards, 12,882 riders. The authorities for the estimates (in case you disapprove of them) appear on page 6 of "Sales-Spot Advertising," and the man to get in touch with is C. W. Browne, manager of the marketing service of U. S. Printing & Lithograph, at Cincinnati.

Standard of New Jersey May Add Two Concerns

With merger negotiations between the Standard Oil Companies of New Jersey and California still pending, and with the understanding that the Standard of Indiana later may join this group, the report has become current in New York financial circles that the New Jersey concern may acquire the Standard Oil Companies of Ohio and Kentucky.

New Jersey—largest member of the Standard Oil Group—has assets of about \$1,800,000,000. Merger with California would create an organization valued at \$2,400,000,000. With the addition of Indiana, this group would have assets of about \$3,200,000,000—exceeding United States Steel by nearly \$1,000,000,000 as America's largest industrial corporation.

Standard Oil of Ohio, probably the most aggressive "independent" member of the group, is valued at \$80,000,000 and Standard of Kentucky at nearly \$60,000,000.

ZOWIE!

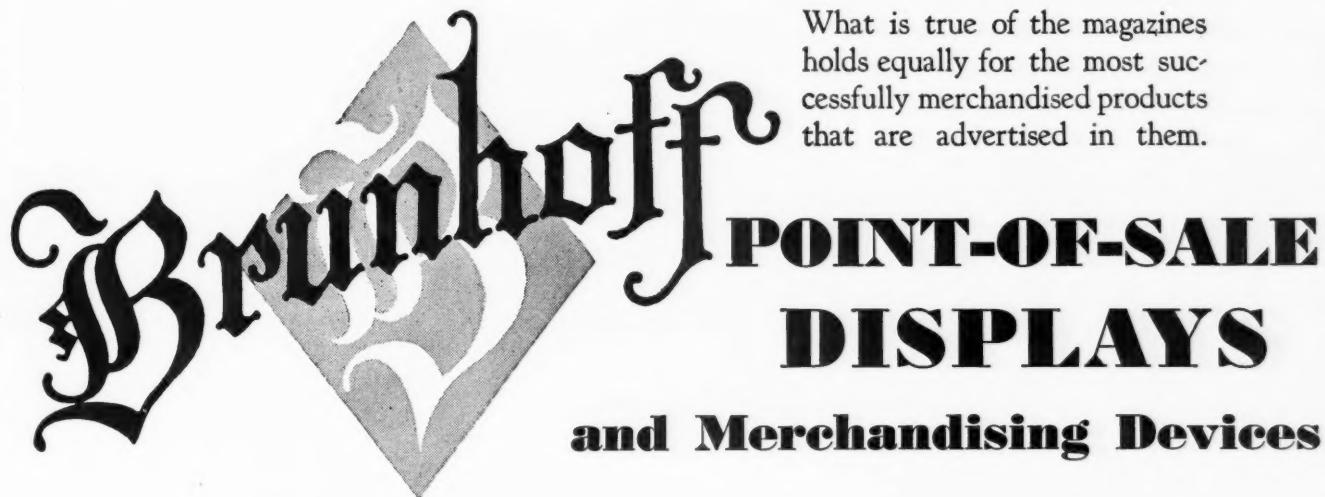
*Those
magazines!*

How do they get that way?

MORE than seven million net paid circulation per week—better than a million a day, week in and week out! That's what three national weekly magazines give their advertisers. Guarantee it, too, or rebate pro-rata for any falling off!

Only twenty-three per cent of this circulation is from regular mail subscribers. Seventy-seven percent—almost six million copies per week—represent single sales, "voluntary purchases" at the retail outlets *where the magazines are attractively displayed*.

What is true of the magazines holds equally for the most successfully merchandised products that are advertised in them.



Brunhoff displays are the final hook-up for America's leading advertisers of beverages, confections, cigars and cigarettes, brushes, paints, toiletries and drug store merchandise, food products, electrical goods, automotive equipment, photographic supplies, pens, pencils and stationary, watches, apparel—the outstanding makes of the outstanding makers.

This medium is so flexible and so economical that you can prove it out in any test market at low cost and without waste. Then you can extend its use sectionally or over the entire national market. It pays as it goes.

Mail the Coupon

THE BRUNHOFF MANUFACTURING CO.

Contract Manufacturers of Metal and Glass Specialties

York and Freeman Avenue, Cincinnati, Ohio

Eastern Office, 126 Maiden Lane, New York City. W. S. Lakamp, Manager

Tell us how your medium will increase the sale of (Product).....

Sold through (number and kind of stores)..... **What will it cost.....**

Name of individual..... **Firm.....**

Address.....

Selective Selling Test to Be Launched Soon by Dry Goods Group

An invitation has just been issued to several dry goods manufacturers by Flint Garrison, director general of the Wholesale Dry Goods Institute, New York, to participate in a demonstration of the effectiveness of a plan of selective distribution through mutually exclusive relations between manufacturers and wholesalers. Several wholesalers already have expressed their willingness to cooperate. Mr. Garrison hopes to put the plan into operation in time to promote spring lines.

One wholesale house will be chosen for the demonstration. The manufacturers being asked at the outset are producers of volume lines—such as piece goods for apparel use, home furnishings, men's furnishings, hosiery and underwear, linens, carpets, etc.

The demonstration—based on a selective distribution plan worked out by a representative group of manufacturers and wholesalers at New York last July—will be carried out, Mr. Garrison said, in the following manner:

"1. Each manufacturer will, within the territory to be described, confine his distribution to the indicated wholesale distributor, with such minor exceptions as may mutually be deemed advisable and mutually agreed to.

"2. The wholesaler, in turn, will confine his operations in the indicated lines to the cooperating manufacturer's products or to non-competing products, with such minor exceptions as may mutually be deemed advisable or mutually agreed to.

"3. For a reasonable period, each manufacturer will assign one or two salesmen (depending upon the volume) to cooperate with the salesmen and department managers of the wholesale house in presenting the program and the product to the retail trade.

"4. One of these salesmen will be chosen as a chairman or director of the group of manufacturers' representatives to organize their operations and work under the direction of the sales manager and with salesmen of the wholesale house.

"5. A definite program of sales promotion will be developed which will begin with the preparation of a list of all retail outlets in the territory considered eligible for the products in question and this list will be actively and vigorously canvassed.

"6. A completely developed advertising and promotional plan will be offered to these retail stores covering all the lines participating in the demonstration.

"Obviously only one manufacturer in each class of products can participate in this demonstration or experiment, but in order to be impartial this invitation is being extended to all manufacturers who have indicated their particular interest in this form of distribution.

"If more than one manufacturer of any given product or class of product accepts the invitation to participate in this demonstration the specific choice will be determined by mutual agreement or preference of the wholesaler."



General Motors Poster Wins again at Chicago

For the second successive year, Campbell-Ewald Company (and incidentally General Motors Corporation) has won first award at the exhibit of Poster Advertising Art of the Chicago Association of Commerce.

This year it is Pontiac's presentation of a couple of robins, with the line "It's Spring—Get a Pontiac." Last year it was Buick's "Boy . . . that's travelin'!"

Yarn Maker Starts Drive for Finished Products

"Probably the first advertising effort to recognize tangibly that the major percentage of all synthetic yarn is knitted into inexpensive apparel," is being made by the Tubize Chatillon Corporation, New York, in a market expansion program, just started, primarily to aid hosiery and underwear manufacturers.

In the May-June program the com-dealer organization to 68,260 prospective buyers, resulting in 58,045 sales

Prospect Kobak

Said Edgar Kobak, vice-president of McGraw-Hill Publishing Company, at the Direct Mail Advertising convention in New York last week:

"Sellers today are afraid the buyer will say no. No one tries to sell me an automobile or on painting my house. My radio has been repaired five times, but no one has tried to sell me a new one."

Decline and Fall

And Lee H. Bristol, vice-president of Bristol-Myers Company:

"I am conservatively optimistic about the course of business. I am not like the two cloak-and-suiters who met on the street the other day and one said to the other, 'How's business?'

"Oh, it ain't so good—and yet it ain't so bad. . . . It's 20 per cent better than next year!"

A cup of Lipton's tea, between a couple of tea packages and with a teapot as a background, won second prize; and "big business" in the form of a Postal and a Western Union messenger boy "pausing for refreshment" with Coca-Cola, third.

The exhibit is held for the purpose of choosing the 100 best posters of the year. More than 300 were submitted in this year's competition. The 100 best are being shown in a special gallery at Marshall Field's, State Street department store.

Westinghouse Extends Employe Sales Plan

The "permanent cooperation" of every employe of the Westinghouse Electric & Manufacturing Company is being enlisted, in promoting the sale of household electrical products, as the result of the success of an employe sales campaign conducted during May and June, reports H. C. Thomas, in charge of this phase of the Westinghouse work.

"This arrangement does not replace or in any way affect the regular system of distribution," Mr. Thomas says, "but supplements it by enlisting an army of salesmen, each of whom has many contacts with the buying public."

In the May-June program the company's 35,000 employes referred the dealer organization to 68,260 prospective buyers, resulting in 58,045 sales worth nearly \$3,000,000.

Films Help Air Transport

"Across America in 27 Hours," a 16-mm. 800-foot film, is being shown by traffic representatives of United Air Lines to business and educational groups throughout the country, to stimulate air transport. Ten Bell & Howell Filmo projectors are being used in its presentation.

Mansergh Goes West

John A. Mansergh, these several years general sales manager of Russell & Erwin Manufacturing Company, New Britain, Conn., has joined the Schlage Lock Company, San Francisco, as sales manager.

Million Dollar Salesmen

(Continued from page 311)

tail. The specific premium which he suggested that they use was a special table lamp and shade to cost them exactly one dollar.

On several calls Holabird was unable to convince the store executives that a merchandise premium would have greater pulling power than a cash discount. One day he learned that the company was planning to open a new store in an outlying community. He suggested that his lamp and shade be offered as a special inducement for opening day, and finally managed to obtain consent to the idea for the one day only.

A similar store in an equally advantageous location had been opened only a few weeks before. With a special one dollar discount offer, that store had sold 500 pairs of shoes on opening day. Estimating the volume for the new store, officials ordered 500 lamps from Holabird and assigned sufficient selling personnel to the new store to handle that amount of business. Holabird, however, was so sure of the pulling power of his merchandise that he shipped 1,000 lamps—500 extra without an additional order.

How accurately he forecast sales is shown in the actual results. With the same amount of advertising as was used to announce the earlier opening, this store was literally jammed with patrons all day. Extra salespeople had to be rushed from other stores of the chain to handle the crowds. At the end of the day, 1,100 pairs of shoes had been sold, more sales than the number of lamps on hand.

The success of this promotion was so conclusive that it was decided to adopt it for use in all stores. The first day in the twenty stores sales amounted to more than double the best previous day's business in the history of the company. In less than one week Holabird sold this company more than \$45,000 worth of lamps. A less persistent or alert salesman might have been discouraged at the early lack of enthusiasm shown by this prospect and have missed out entirely on a highly profitable order, but that is not Holabird's inclination.

His resourcefulness in showing his customers how they can profit by buying his merchandise even in off-peak seasons is ably demonstrated in a sale he made recently to a New England department store. It is common knowledge that the greatest demand for magazine racks, as well as other small novelty furniture, is during the Christmas holiday season. Usually the

second six months of the year in this line is more than three times as large in volume of business done as the first six months.

The furniture buyer of this department store emphasized this fact when he told Holabird that he wasn't interested in having any more magazine racks on January 15 than he had in stock at the end of the holiday season. Holabird said, "Let's check up and see just what stock you do have on hand. Maybe you don't need any more, at that."

The figures were produced. Holabird noticed that the store had bought more than \$2,600 worth of this merchandise during the previous December. He pointed out that the store had received \$5,700 for this merchandise, which indicated much better than normal mark-up. He noticed that there was a net inventory of only \$218 on hand on January 15. So Holabird took his sales cue from this fact. He said, "You tell me yourself that you do three times as much business in this line during the first six months. You certainly can't do that much with only \$218 worth of merchandise on hand. Considering the high mark-up these items can stand, I should think it would be profitable for you to have some more of them in stock." The buyer agreed and Holabird obtained an order for \$800 worth of magazine racks—practically one-third of the store's purchases for the previous December. With this sale as a starter, Holabird turned his attention to other items, and finally walked out with orders for nearly \$5,000 of other merchandise.

Much of Holabird's business is done with chain stores. Many people have the idea that all there is to getting a big volume of business from such organizations is simply getting the main office to issue an order. If you are selling to the chains, take this tip from Holabird: "The order is the bare starting point, if you really want large volume."

Contrary to popular belief, chains frequently buy in small initial quantities. If there is a satisfactory demand, the order is increased. If the demand is not apparent, then the small quantity is disposed of and little or no reordering is done on the item. Knowing more than his ABC's about merchandising, Holabird realized that chain store managers, district supervisors and others several hundred miles away from the buying office were not always

(Continued on page 331)

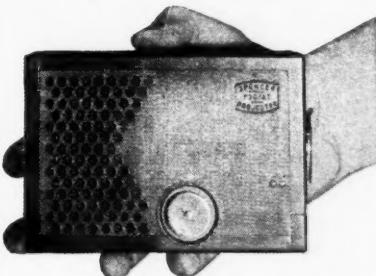
Your Business... will it pick up, too—Now?

SALES, good times or bad, depend on your salesmen in the field. Today—now—any increase in a salesman's efficiency will immediately be reflected in increased sales.

Many sales "get away" from your men because they do not and cannot orally present your "perfect" sales story in logical, convincing form to get Mr. Prospect to sign on the dotted line.

New Spencer POCKET PROJECTORS

will definitely increase your sales



20 oz. of modern sales efficiency!

Figure it out for yourself—if your sales story is told and visualized to every prospect every time with every sales point made perfectly clear, your sales are bound to increase.

Now—Spencer Lens Company, manufacturers of scientific optical equipment for over seventy-five years, presents a salesman's projector, pocket-size, at a cost so low that

One Extra Order Pays for Projector

This new projector weighs only 20 oz.; is as small as your hand—and will do a man-sized job. This finest sales ammunition is so low in cost that only one extra order during the year and the projector is paid for. But your salesmen will sell many more extra orders with this equipment—and that's when the sales curve jumps upward. We'll gladly send you full information on this New Salesman's Pocket Projector. Write or send the coupon for it today!

Spencer Lens Company

BUFFALO, NEW YORK

— Mail This Coupon Now! —

SPENCER LENS COMPANY
19 Doat St., Buffalo, N. Y.
Gentlemen:

Please send me full information on your New Salesman's Pocket Projector and how it will help increase our sales.

Name

Dept., Company

Address..... City..... State.....

Media and Agencies

Back Pay

The agency of Kenyon & Eckhardt, New York, is first in the hearts of its profession just now, in view of the fact that it has not only eliminated a salary reduction that went into effect last spring but has restored the full amount lost since then to each of the 50 members of the staff.



Henry Eckhardt

Which must be proof that Kenyon & Eckhardt's clients also are making money. The agency has a way of finding new markets and new appeals—such as those employed for Spud cigarettes (SM July 15). It is helping to revive the once-popular copper kettles, for Revere Copper & Brass, and has some ideas up its sleeve for Kaffee Hag of the Kellogg Company.

Otis Allen Kenyon & Henry Eckhardt worked together at the former Ray Lillibridge agency before they moved over to 247 Park Avenue, and started in on their own.

Lowerings

Three Scripps-Howard newspapers, one Hearst and the New York *Sun* contribute announcements of rate reductions for this issue. The national rate of the Toledo *News-Bee* goes down 2 cents a line to 22, of the Baltimore *Post*, 5 cents to 17 and the Washington *News* 2 to 18.

Meanwhile, the New York *Evening Journal* "adjusts discount on full copy contracts for local retail stores from 5 to 10 cents an agate line," on this basis: "Each month during the contract year in which the advertiser inserts in that month as many agate lines of advertising in the *Journal* as have been inserted in any other New York evening newspaper, a discount of 10 cents an agate line will be allowed from above contract rates." Large space contracts also get special discounts.

The New York *Sun* has reduced its line rate 2 cents in all classifications and has reduced the minimum discount basis from 5,000 to 2,500 lines, effective September 23. This despite the fact that its circulation is now slightly larger than it was in 1931.

A new venture on the *Sun's* part, and perhaps on that of any New York paper, will be an Electrical Housekeeping number October 18. A window poster has just been mailed to 5,000 electrical appliance dealers in the city and suburbs.

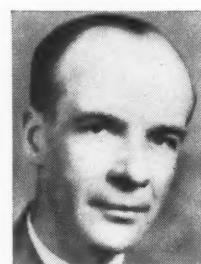
The *Sun*, incidentally, goes in rather strong for special editions. One coincided with the recent observance of the 25th

anniversary of Fifth Avenue as a business street. Antiques and pets will have their turn soon.

Newsmedicmag

Convinced that medical men want the current events of their profession in *Time-style, Modern Medicine*, a news magazine, has made its appearance at Minneapolis. M. E. Herz, business manager, points out that there are now some 1,250 medical periodicals. Since "nobody can read them all," *Modern Medicine* will endeavor to save them the trouble. Twenty departments are included in the first issue of the little paper—the principal ones being General Medicine, Surgery, Gynecology and Obstetrics, and Pediatrics.

Father and Nurse



Nathaniel B. Wales

in charge of engineering and research.

Mr. Wales, who devised the original Kelvinator refrigerator (Lord Kelvin never had anything to do with it) has been called the "father of domestic refrigeration." For four years he has been living in Paris, where he placed on the market several household devices, among them the Era vacuum cleaner, made by *Etablissements Ragonot*, which is making considerable sales progress over there. He is now developing a combined vacuum cleaner-floor washer-mop for the American market.

The Ears Have It

Colorful eye appeal to get attention, ear appeal to focus it on the sensitivity of Tung-Sol bulbs of the Tung-Sol Lamp Works, have been worked out effectively by Einson-Freeman Company, who conceived the idea and manufactured this display, and Lucien Bernhard, artist, who painted the original poster. George Bodem, sales executive of the Lamp Works, says the retailers and wholesalers like it so much that a second order will have to be placed.

The Quick and the Dead

There are now only two general daily newspaper publishing groups in Cleveland—the *Plain Dealer* and the *News* having been placed under the same ownership through the organization of the \$9,000,000 Forest City Publishing Company. The *Plain Dealer*, an a. m. paper, and the *News*, a p. m., will continue to maintain separate identities, policies and managements. The *News* has long had keen competition from the Scripps-Howard *Press*.

The Milwaukee *Herold*, published in German and one of the most influential foreign-language newspapers, failed to appear on October 1.

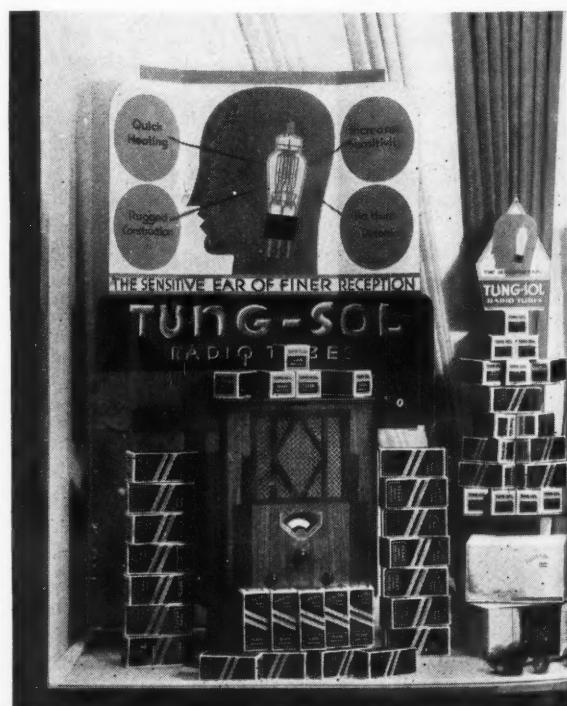
At Chicago

The Newspaper Advertising Executives' Association will hold a one-day meeting at the Hotel Stevens, Chicago, October 20. Don Bridge of the *New York Times* is president of the association and Alvin R. Magee of the Louisville *Courier-Journal* is arranging the program.

Beaten Path

You have noticed that George W. Hill of the American Tobacco Company believes that "nature in the raw" is pretty rough, but perhaps you overlooked, in the magazine copy, the Emersonian quotation about the woods, the better mouse-trap and the beaten path, at the bottom. "Does not this explain," asks he, "the world-wide approval and acceptance of Lucky Strike?"

But Mr. Hill must know that the corner Fifteenth Street and Fifth Avenue is not in the woods, and though he may be making a better cigarette, he has spent quite a number of millions of dollars in advertising to blaze the path.





These most valuable booklets of the month will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Market Analysis

Plotting the Shot is a study of American spending, based on the Census of Distribution and current (1931) circulation statements. Published by the *Pictorial Review*, with multi-colored charts, it is the most recent contribution of that publication in the interests of a new fruitfulness and economy in advertising—and the *Pictorial Review*. National spending is reviewed first from the standpoint of the entire fifty-billion-dollar retail market. Second, in terms of food, and, third, drug retail volume. The three major divisions of Metropolitan, Middle Urban and Small-town Rural markets are pictured, with emphasis on the Middle Urban market and general discussion as to which woman's magazine circulation coordinates most closely with the pattern of national spending as set forth in this study, and which provides the greatest value per invested dollar in ratio to retail sales in the highest spending market. The answer, naturally, is *Pictorial Review*—but the analysis of major markets and the graphic steps used to establish the various points made should be interesting both to advertising and sales executives.

W. N. U. Catalog of Weekly Newspapers is another angle on the small town market, this time from the organization which for years has been supplying the boiler plate section of more than 2,600 weekly newspapers throughout the country. A limited amount of advertising is sold and printed by the Western Newspaper Union along with the news features supplied each publisher. Rates available in each section, with the names of publications and towns, make a rather complete analysis of the small town market, from the weekly newspaper point of view.

Merchandising

We are downright enthusiastic over *Business Now Going on in the Basement*, which is nothing in the world but a reprint, in large size, of a series of ads run by the New York *News*. But what ads! And what a commentary on current merchandising tactics! Aimed primarily at the destructive bargain merchandising policies of retailers in Gotham, some sly digs are taken here and there at manufacturers who are contributing to shrinking sales checks and the flood of punk goods on bargain counters. Applicable to any other city in the country, and any line of merchandise. Written in the delightful style of "Tell It to Sweeney" McGivern, it is more than promotion for the *News*—it is sound merchandising, for the sales executive, the salesman in the field—all hands in the battle for quality.

Million Dollar Salesmen

(Continued from page 329)

as enthusiastic about new items as the main office hoped they would be.

To overcome this situation Holabird has spent a large part of his time traveling over the country, contacting district supervisors and individual store managers of the chain store companies who have given him initial orders. His sole story to these men is how to get more business by proper promotion of the merchandise he is selling.

The store managers and district supervisors welcome his suggestions because he is not trying to sell them anything. Instead, he is actually show-

ing them how they can increase their own sales volume. In turn, however, increased sales in each district mean increased reorders from the central source, which steps up Holabird's business by leaps and bounds. In 1931, he obtained more than \$200,000 of additional business by intensive promotion efforts with chain store managers

Needless to say, Holabird is a fluent and convincing talker. He has that sincere, but determined, manner which not only wins the entire confidence of everyone with whom he does business, but also makes his story a believable—and desirable—one to buyers. Perhaps, after all, there is no better explanation of his million-dollar-a-year sales volume than this fact.

**CONCENTRATE
Your ADVERTISING EFFORTS!
COVER THE GREAT AKRON
MARKET THROUGH THE . . .**



AKRON BEACON JOURNAL

Growth of Akron Dry Goods Co. Proves Complete, Economical Coverage of This Outstanding Daily!

Here Is Akron Dry Goods Co.'s Own Statement . . .

Since 1925, when we became exclusive advertisers in the Beacon Journal, we have increased our floor space from 43,500 square feet to 114,000 square feet, with a corresponding increase in volume of business.

I know no better tribute to results of Beacon Journal advertising than to say that the Beacon Journal alone has carried our message. We are proud of our growth and appreciative of the part The Beacon Journal has played in it.

Sincerely yours,
J. H. VINEBERG,
Pres. Akron Dry Goods Co.

Dated, Sept. 22, 1932

FIRST IN OHIO!

The importance of Akron as a Major Ohio Market is proved by the fact that Akron's leading newspaper carried more advertising the first nine months of 1932 than did the leading newspapers in Columbus, Dayton, Cleveland or Cincinnati.

	Total Display	Total Advertising
AKRON BEACON JOURNAL	7,564,824	8,906,094
Columbus Dispatch*	7,273,004	8,844,619
Dayton News*	6,800,548	8,132,551
Cleveland Press	6,190,090	7,789,241
Cincinnati Times Star	6,423,238	7,332,207

*Seven days. All figures from Media Records.

AKRON BEACON JOURNAL

A Metropolitan Newspaper in a Highly Responsive Market Represented by
STORY, BROOKS & FINLEY

Member: A.B.C. — A.N.P.A. — Major Market Newspapers, Inc.

Comment

GOOD MEDICINE: The decision of the Eastern Lithographers' Association to conduct a consistent advertising campaign in business papers is a noteworthy example of how some sellers of advertising are taking their own medicine. As M. M. Einson, chairman of their publicity committee, puts it, "Inasmuch as we must depend on the advertiser for our business, we ought to have enough faith in advertising to take our own medicine and *advertise*." . . . Another branch of the lithographic industry, the Cooperative Committee of Installers of Window Displays, is equally farsighted and energetic in going after business and proving that it deserves it, as illustrated by the campaign running currently in *SALES MANAGEMENT* and other magazines. . . . Since the depression started a number of important national advertisers have voiced the same sentiments which were expressed so forcibly by William O'Neil, president of the General Tire and Rubber Company, in one of our issues in October, 1930. In his letter to the editor, Mr. O'Neil said: "We have been continuing our own advertising despite depressed business conditions because we think that advertising is a very necessary sales tool and that there are more logical grounds for doing vigorous advertising when business is below normal than when business is booming and we can get orders whether or not we advertise. But it is my observation that many of those organizations who are most eloquent in telling manufacturers that we should continue our advertising campaigns are nevertheless making severe slashes in their own promotion appropriations, or eliminating them entirely. We frankly admit that publishers and advertising agencies know a lot more about advertising than we know ourselves. It is their business. They devote all of their time to it. They are in a position to see the results of advertising in thousands of businesses, and if they have found that advertising is not the vital sales force we have been told it is, and if it is only a luxury to be indulged in when profits are very big, we certainly want to know it, as that knowledge would very materially alter our plans for the future." . . . Mr. O'Neil's pointed observations are even more apropos in 1932 than they were in 1930. Manufacturers would be more likely to believe an advertising salesman who says that business has turned the corner, that business is improving and will continue to improve, if that salesman's employer is backing him up with consistent advertising. Executives who pay the advertising bills cannot be accused of being illogical if they take the ground that "what is sauce for the goose is sauce for the gander."

SCORE-KEEPERS VERSUS PLAYERS: At the Direct Mail Convention held this week in New York, P. J. Kelly, sales executive of the Goodrich organization, struck a very important note when he said: "At

the moment one trouble with the American business is the fact that there are too many score-keepers and not enough players. I'm not talking about any one company but I am speaking about business in general. The comptrollers, the auditors, yes—the score-keepers—seem to be on top. Perhaps the proportion doesn't always run too high, but the point I wish to stress is this—that figures, quotas, inventory records, economy innovations will never take the place of smart merchandising ideas in aggressive, forceful selling. You can't economize your way to profits—you must sell your way to profits. . . . Did you ever see two football teams go on the field—one representing a large institution that had eleven mediocre players who knew all the rules, but didn't know what to do about them; who knew how it should be done, but didn't have the knack of doing it or the desire for fear they might scratch their hide? This team also has a lot of reserve power—they have a large squad—they have four coaches and fourteen reserve tackles—all sitting on the bench keeping score, and giving advice between halves. Their opponent is a little school that has only one coach with about five reserve players sitting on the bench yearning for their chance—but out on the field they have eleven players, keen, hard-hitting and inspired, unencumbered by criticism or score-keepers, inspired to a frenzy—every man willing to break his neck playing his part. Which team will win—the one with the fourteen reserve tackles and five score-keepers or the one with eleven players? Stop and think about your own company. Have the score-keepers got you down? Do you dream about accountants, auditors, efficiency men, in your sleep? . . . In some concerns the sales and advertising policy will be set by a businesslike crusader who is cost-conscious, who knows where he wants to go and how he wants to get there. He will turn some of the score-keepers into players, he'll get rid of some of the reserve tackles and a few of the coaches who got their knowledge out of books, he'll feed his players raw meat and put some stiffening in the backbone of his advertising. He'll not accept mediocrity in production, selling or advertising." . . . To which sentiments *SALES MANAGEMENT* heartily subscribes. The production and financial executives in many instances have grown so economy-minded and so efficiency-bound that they have reduced the size of the selling effort and the spirit of the selling effort as measured in terms of human beings to a dangerous point. Not so long ago we did have overproduction in quite a few fields. Today in many lines we are confronted with consumption volumes far under the normal levels and certainly much of this slacking off is due to pulling the punch at the sales promotion end.

Ray Bill

Mileage Book Action Near, Officials Tell Sales Management

(Continued from page 320)

day, and there is no question but what there would be a decided increase in the amount of business done and that the income of the railroads would be increased considerably by the increased volume of freight traffic due to greater activity on the part of our salesmen and representatives.

By D. B. Patterson

Vice-President

Harnischfeger Corporation

Milwaukee, Wisconsin

Your ambitious activities in connection with obtaining mileage books for sales representatives are to be highly commended.

Unquestionably, the continued high rate of rail fare is now the greatest obstacle in the path of sales expansion programs. Practically every other item appearing on the expense sheet has been brought in line with present-day operations. Railroad fare is the one exception which apparently lies beyond control.

I frankly admit that the volume of business from several of our territories could be increased at the present time were it economically sound to travel more men.

Furthermore, much of our present bus and automobile travel would be diverted to rail were the savings large enough to justify such a step.

By G. M. Bartlett

W. H. Y. Nu Products Association
Los Angeles, California

We have been reading with interest your articles regarding the two-cent mileage for salesmen. We have laid off a number of our salesmen on account of the high traveling expense.

If we could get the two-cent mileage it would enable us to put these men to work.

By C. E. Attwood

Vice-Pres. and Sales Mgr.
Postindex Company, Inc.
Jamestown, New York

We would like to help along the idea of reduced mileage and hotel costs to make it easier to put the salesmen back on the road.

We are all considering these costs very carefully; we have to, of course, and reductions such as proposed would make a great increase in the number of salesmen put out.

Two to two-and-a-half cents per mile would mean to salesmen now working a glad return of the easier method of traveling, enabling them to have Pullman comfort day and night at no greater costs than automobile expense.

The railroads could very well show enterprise and try this out and do something as one of our great public servants to improve business.

Business is not going to come back—it will have to be gone after and brought back.

By George B. Allan

George B. Allan & Company

Dallas, Texas

By stopping the issuance of mileage books the railroads have compelled traveling salesmen to use other methods of travel as a means of economy in the way of reducing expenses—such means as traveling by bus, riding with others and sharing expenses, etc.

In our business we would no doubt travel by rail about three times as much as we are now doing if it were possible to do so at an economical rate of fare. We cover Texas, Oklahoma and Northern Louisiana, together with Western Arkansas, and you can readily understand that we are vitally interested in seeing such mileage books returned as we had in the days before the World War—a war which it appears the railroads do not realize has been over for the past fourteen years, since they still maintain wartime prices.

Another thing that would greatly ease matters up and effect a considerable saving would be the removal of the 50 per cent surcharge from the Pullman rate, as, rather than pay the high sleeping car rate now in existence, salesmen travel as much as possible by day, where formerly they traveled at night to save time.

Taximeters Climb

That almost forgotten cry of "Taxi!" is beginning to be heard again, reports E. S. Higgins, vice-president of the Parmelee System. Though late July and early August cab bookings "were the lowest ever recorded," the curve, both of total bookings and passengers carried, started upward shortly thereafter and remained so throughout September. Mr. Higgins concludes that there is "more money in circulation in all the lines from which the cabs draw passengers."



The Wordworker

For nearly four years, we have been publishing a weekly bulletin service for salesmen, endeavoring to put into these messages sound selling suggestions, rather than baseless bunk and fancy froth. A year ago, we gathered up 52 of these bulletins—the cream of the crop—and bound them into a portfolio, making a complete year's service. Originally priced at \$5.00, we now offer the few remaining copies at a clean-up price of \$2.50.

• • •

Another popular item is our four-volume set of pocket-size books known as "The Salesman's Idea Incubator." This condensed library offers a world of new ideas for the man who sells. Full of modern material to meet changing conditions. Executives will glean suggestions that can be passed along to the sales force. House organ editors will find inspiration and information to brighten a hundred issues.

Vol. 1 is titled, "The Joy of the Job"—a series of short talks to salesmen, selling them on their work and its opportunities; Vol. 2, "Famous Sales and How They Were Made," relates actual experiences in getting orders despite obstacles; Vol. 3, "The Road That Leads to Sales Success," deals with simple fundamentals of successful selling; Vol. 4, "Salesmanship 'Goes Modern,'" delves into the future of Salesmanship in this airplane age.

This 4-volume library bears the bargain price of \$3.98. Or, we will send the Salesman's Idea Incubator library, and the 52 Sales Bulletins mentioned above (while the Bulletins last) for only \$5.00. And that's a bargain, if there ever was one!

• • •

Again we remind you that Maxwell Droke's *Letter Laboratory* is available at the modest price of \$7.50. This is an eighteen-section portfolio of letter data, indexed for ready reference. It presents and analyzes scores of letters that brought inquiries and orders; letters that opened new accounts and revived old ones; letters that gained the co-operation of dealers and wholesalers; letters that inspired salesmen and agents; adjustment letters; good-will letters—the whole range of business correspondence.

• • •

All material, to responsible executives, on 10 days' approval.

MAXWELL DROKE

P. O. Box 611

Indianapolis, Indiana

Ad Testing vs. Ad Gambling

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sides the advertising. They overlooked a certain human trait known as habit. The universal tendency to get into a rut and stay there for a good long time. The quality of human nature which keeps a brand on the market long after the advertising has ceased. How long have *you*, for instance, been using the same brand of toothpaste, or shaving cream, breakfast food or pipe tobacco? The chances are that this year's advertising had nothing to do with your choice. No matter what kind of advertising that had been, you would have bought your favorite brand just the same. Investigation shows that probably 80 per cent of you are customers of more than one year's standing for any particular brand. Do you get the significance of this? The opportunity for the advertising—that tested advertising which was expected to increase sales immediately to the tune of 50 per cent—the opportunity for that advertising was limited to about 20 per cent of the business, the 20 per cent which needed to be replaced each year.

So instead of a 50 per cent increase, all that this new advertising should have been expected to produce was a 10 per cent increase. But how soon? The first month? Simple arithmetic says it's impossible. To keep the business constant, lost customers must be replaced at the rate of 20 per cent a year, less than 2 per cent a month. If you doubled the replacement rate you would only increase the total business 2 per cent the first month, an almost imperceptible change quite unlikely to make itself felt—especially after passing through the hands of both retailers and wholesalers.

The point I am trying to make is that the way to get the most action for your advertising dollar is to test constantly.

Before discussing the existing methods, let us determine what part would be in a procedure for testing ads. What are the specifications of a 100 per cent method of testing? Specification number one, of course, is reliability. The results should parallel sales. Number two is practicability. The quicker the results are determined, and the lower the cost to get it, the better the method. Number three is acceptability. There's no use making a test if nobody is going to believe in the result. So we have three qualifications for the ideal testing procedure: it must be reliable, practicable and acceptable.

The most obvious way of checking

up on the relative merits of two sets of ads is the sales test. You actually run the ads in a few places and compare the sales. Such a test is highly acceptable, only moderately reliable, and usually very impracticable as regular routine. Naturally, there is little difficulty in convincing an advertiser as to the soundness of the results, yet it is not at all easy to conduct the test so that they really are sound. To quote from a talk I made four years ago to the Association of National Advertisers, there are at least eight different factors besides the copy which influence sales: season, publication, position, sequence, competitive advertising, local conditions, day of the week and the sales that would have existed had there been no advertising. It is seldom possible to arrange a sales test so as to iron out each and every one of these factors, and to that extent the method is unreliable. It is impracticable for frequent use because it is so expensive.

Well, you say, if it's too big a job to compare sales, let's compare coupons. Let's try the inquiry method. But immediately doubting Thomases begin to stick their heads up. There actually are some among us who think that all coupons come from children or nitwits. I remember an advertiser once ordering all coupons removed from his copy because he happened to get one back from a prisoner in the penitentiary. Any such attitude, of course, is silly and is usually the result of ignorance. Mail order specialty men who use publication space will tell you that, as a general rule, sales and inquiries go hand in hand. I've been in that end of the business myself and I can okay the statement. But every once in a while an ad that is a ball of fire in getting inquiries is a wet sponge in getting sales. Even with this slight weakness in reliability, the inquiry method might stack up as the ideal system if it were not for its great expense and the length of time you have to wait for the results.

If something cheaper and quicker is what we want, here's a bargain. It's the order of merit system. A set of ads is submitted for ranking to a cross-section of typical prospects. To some people this is sheer nonsense. I've had a hard-headed sales manager say to me, "I don't get this. You're supposed to be an advertising expert and yet here you're letting some dumb women from Poughkeepsie and Worcester and Norfolk pick out your ads for you." I reminded him that it

isn't the taste of the angler that determines the kind of bait to be used, but the taste of the fish. Nevertheless, as we move on to the order of merit or consumer jury system, the percentage of skeptics rises. The weight of evidence, however, is in its favor. There are many more examples of its success than of its failure. Those who work with it any length of time discover the special conditions under which it goes wrong and then avoid them. Under the right circumstances, its reliability is high, and, as for being practicable, it clicks like the right combination. Sketched ads take little time to prepare. And little money.

These hard times have seen the revival of many a good old standby. Back with us again are the leg of mutton sleeve and the census of readers system. "Lady," says the investigator to the suspicious housewife who has just admitted reading the last issue of Hot-cha Weekly, "as I turn the pages of this magazine would you mind telling me what you've seen and what you've read?" And, strange to say, she does—pretty accurately, too. As a method it is just as reliable as inquiries, except that it doesn't provide you with tangible evidence of action. Offsetting this, however, is the opportunity to check up on your competitors' ads. Is it expensive? Is it slow? Figure it out for yourself. By the time you have your answer, the ads have already been run.

What we need is a system that can be applied before the ads have to be run in the magazines or in the newspapers. But that feature won't completely solve our problem either. Take the sales-talk method, for example. Before a single ad is prepared, men go from door to door peddling the product. Each one is given a different sales-story which he is made to deliver word for word. Each sales-story is then shifted from man to man and finally you count up to see which type of approach did the most business. On the face of it, you'd think this method was sure combustion. It is, at first. Then it does a nose-dive. It's grand for determining the best appeal, but it doesn't give you the slightest clue as to how to present that appeal in the medium of pictures and type.

Any method of checking up is better than none. Those who execute important campaigns are passing up a real opportunity if they don't apply several methods as a measure of precaution. Suppose you increase the effectiveness of one million dollars' worth of space by as little as 10 per cent! That's a hundred thousand dollars. Quite a sum—in any man's business.

G. E. Men Break All Summer Records in "Dig in" Drive

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quality, an "A" contract solicitation book, an "E" contract solicitation book, a jobbers' presentation book, and a series of three lamp attachments carrying a message to the agent. It was felt that limitation of the number of pieces of promotional material would save overburdening the salesman, and would at the same time provide the tools for getting results quickly and effectively.

The sales manual, primarily for division men, was set up in question and answer form, and its feature was a set of hard-to-answer objections which had been gathered in the field, together with effective answers.

For approaching prospective agents, the "A" and "E" contract solicitation books were regarded as of primary import: they really constituted a standard sales presentation, and helped to lead the salesmen logically through a complete and rather complicated sales story, part of which he might easily have forgotten had he not had the presentation as a guide.

Although no prizes were offered by headquarters, several divisions set up their own cash awards, bonuses and merchandise prizes for highest individual ratings. "Pep" meetings aplenty were held in each territory. Only rarely during the campaign period did Nela Park see Messrs. Boynton and Potter. Their services were needed on their respective firing lines, and there they stayed throughout almost the entire duration of the drive.

Thus progressed the campaign, with division rivalry at fever heat throughout the summer months. On September 30 tabulation showed that the million-dollar quota had been reached, with plenty to spare. The highest percentage of quota was attained by the northern (Minneapolis) division, which, with a quota of \$26,000, actually obtained, up to that date, \$100,000 in new lamp contracts, representing a quota realization of 384.6 per cent. Next in line was the southwestern division, which, with a quota of \$23,000, secured \$75,850 in new business, a realization of 329.8 per cent.

Although September 1 marked the close of the drive, many contracts signed before that date are still pending approval by the Lamp contract supervisor at Nela Park. It is expected that these contracts will swell the total to a figure far in excess of that given here.

Treasure Hunting: A Search for Profits in Your Business

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the man may be retained too long.

Human nature responds to contests. Salesmen are no exception. A check as to whether more contests are desirable is of value. The sales manager of one company making silver hollowware for jewelers recently capitalized on present conditions through clever ideas for contest prizes. A month's supply of various grocery items was presented to the winner, while second and third prizes were two weeks' and one week's supply, respectively. The stimulation was remarkable, for the wives of the salesmen saw an opportunity to save housekeeping money to buy themselves new frocks and hats.

Meetings of the men on Saturday mornings or once a month are well to consider, if possible. A New York distributor of electric refrigerators for domestic use declares that the Saturday morning meetings of his sales force are invaluable in giving new ideas to his men. In fact, these meetings are one of the principal reasons his territory stands at the head of the comparative sales list.

Again and again should be hammered home the thought that the personnel of the sales organization brings success or defeat to the enterprise. When the men come in touch with dealers they must be prepared to teach their dealers how to make a profit from the goods on their shelves. Some star salesmen can figure this fact out for themselves and, therefore, get their dealers' salespeople working for them. However, no organization is ever made of star salesmen, but must depend upon the ability of the average man. Consequently the average man, who rarely thinks beyond his own order blank, must be trained to give his dealers the kind of help they need. This training is the duty of the sales manager, and one neglected nine times out of ten.

Personnel, being the most important factor in sales, should be considered in relation to every other factor, not merely today, but at regular intervals, brought to the attention of the sales manager by the use of a tickler handled by the filing clerk. Periodically, a list of questions for checking should be laid before him, and more than perfunctory consideration given to them.

(Part III, the conclusion to this article, which discusses a check-up of salesmen's compensation, quotas, sales control methods, etc., will appear in the next issue.)

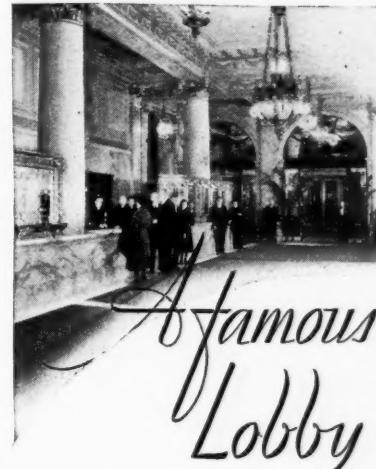
See Why I Recommend This Man

• Owing to new financial control of the best known American business in its industry a man whom I have known for more than fifteen years is open to a new connection. For twenty years he has sold successfully to both the wholesale and the retail divisions of the drug, hardware, jewelry and department store trades. He started as a salesman, and climbed through branch office managership to complete sales control of this international business. He understands all phases of corporate management, and has been secretary-treasurer and member of the executive board of his company.

• He has managed sales forces up to 150 men, and is outstanding in his ability to pick good men and get the utmost in cooperation from them. He is not a driver; he builds for tomorrow as well as today. His sales plans are sound and bring results because of that rather than through lavish spending. This will be his second new job since he started in business.

• I recommend this man wholeheartedly to any of our subscribers who need a sound sales builder. I shall be glad to give more detailed information.

PHILIP SALISBURY, Vice. Pres.
Sales Management
420 Lexington Avenue, New York



ITS register reads like a "Who's Who" of world leaders in commerce, finance, diplomacy, the arts, and social life. The last eight Presidents of the United States have always stopped at the Bellevue-Stratford.

YOU will enjoy its fine hospitality and faultless efficiency—at rates that are quite consistent with present times.

BELLEVUE STRATFORD
PHILADELPHIA

CLAUDE H. BENNETT, General Manager

Business Men's Clearing House

OFFERS—These unusual producers with approved records and personality. 28 years at it! No cost to employer.

FIELD PROMOTION MANAGER—Past 3 years National Manufacturer supervising 75 salesmen in field, dealer, jobber, sales, advertising and merchandising problems. 6 years own auto business. Age 38; height 6 feet; college; strong diplomatic type. No. 1.

• • •
INDUSTRIAL SALES ENGINEER—7 years as industrial sales engineer and district manager; excellent industrial contacts throughout United States. Graduate chemical and metallurgical engineer. Age 31; height 6 feet; forceful type; auto. No. 2.

• • •
SALES MANAGER-SALESMAN—Past 6 years Aluminum Ware, direct and to stores. Well acquainted, strong personal sales, handled 100 salesmen, training, manuals, etc. 4 years chain store and broker. Age 32; law graduate. No. 3.

• • •
ASSISTANT SALES MANAGER—19 years with three large specialty and food manufacturers contacting jobbers and dealers. Strong advertising, promotion and field man, good on house organs, pep letters. Age 43; college; good mixer. No. 4.

• • •
DRUG SALESMAN—4 years with two large internationally known chemical and drug manufacturers. Sales and detailing (physicians, hospitals, dentists), jobbers and dealers. Age 28; medical college; unusual personality. No. 5.

• • •
GENERAL SALES AND ADVERTISING MANAGER-VICE-PRESIDENT—Past 10 years two nationally known manufacturers. Through research developed two million new lines. Graduate M.E. Age 41. Background 7 years factory manager, live, snappy executive type. No. 6.

Business Men's Clearing House

JAMES O. CRAIG, President

209 South State St., Chicago

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Thirteen-Month Calendar Adopted by 200 Firms

Despite the depression, and perhaps because of it, the International Fixed Calendar League is making progress, M. N. Stiles of Rochester, American secretary, reports.

More than 200 manufacturing, merchandising and publishing houses in this country are now on the thirteen-period-a-year basis, says Mr. Stiles, and thereby are improving accountancy and management and avoiding "unpleasant surprises caused by the civil calendar's unequal months and changing number of business days."

American adopters (there are many in England and Germany, too), include Sears, Roebuck, Eastman Kodak, American Hide & Leather, Fuller Brush, Western Clock, American Gas Machine, Carter's Ink, Kotex, Jewel Tea, Kroger Grocery & Baking, Hotel New Yorker, Loew's Theatres, the Hearst Publications and most of the paper mills.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912

Of SALES MANAGEMENT, published semi-monthly at New York, N. Y., for Oct. 1, 1932.
STATE OF NEW YORK, } ss.;
COUNTY OF NEW YORK }

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared Raymond Bill, who, having been duly sworn according to law, deposes and says that he is the Editor of SALES MANAGEMENT and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the pub-

lisher, editor, managing editor and business managers are:
 Publisher, SALES MANAGEMENT, INC., 420 Lexington Avenue, New York, N. Y.
 Editor, Raymond Bill, 420 Lexington Avenue, New York, N. Y.
 Managing Editor, A. R. Hahn, 420 Lexington Avenue, New York, N. Y.
 Business Manager, Philip Salisbury, 420 Lexington Avenue, New York, N. Y.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)
 SALES MANAGEMENT, INC., Federated Business Publications, Inc., Edward Lyman Bill, Inc., Bill, Brown & Bill Publishing Corp., Caroline L. Bill, Raymond Bill, Edward Lyman Bill, Randolph Brown and J. B. Spillane, all located at 420 Lexington Avenue, New York, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are:
 The Dartnell Corporation, 4660 Ravenswood Avenue, Chicago, Ill.; H. G. Trine, R. A. Trine, T. D. Reid, J. H. Frohlich, P. R. Means and M. B. Aspley, all of Chicago, Ill.; M. D. Aspley, J. C. Aspley and J. T. Kemp, all of Glenco, Ill.; E. H. Shanks, Evanson, Ill.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

RAYMOND BILL,
Pres. and Editor.

Sworn to and subscribed before me this 30th day of September, 1932.
(Seal) WM. A. LOW.

Notary Public N. Y. County No. 753. Reg. No. 3 L 487.
Commission expires March 30, 1933.
Certificate filed in Queens Co. No. 1126.

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Cash Basis Only. Remittance Must Accompany Order

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IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Delaware Building, Buffalo, N. Y.

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

SALES PROMOTION

WANTED—BANK SALESMEN FOR THE famous FLAT LAY ROLL RING BINDER, also a full line of Pass Books and Check Covers for banks. The Pass Book and Check Cover Company, 232 Broadway, Denver, Colorado.

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